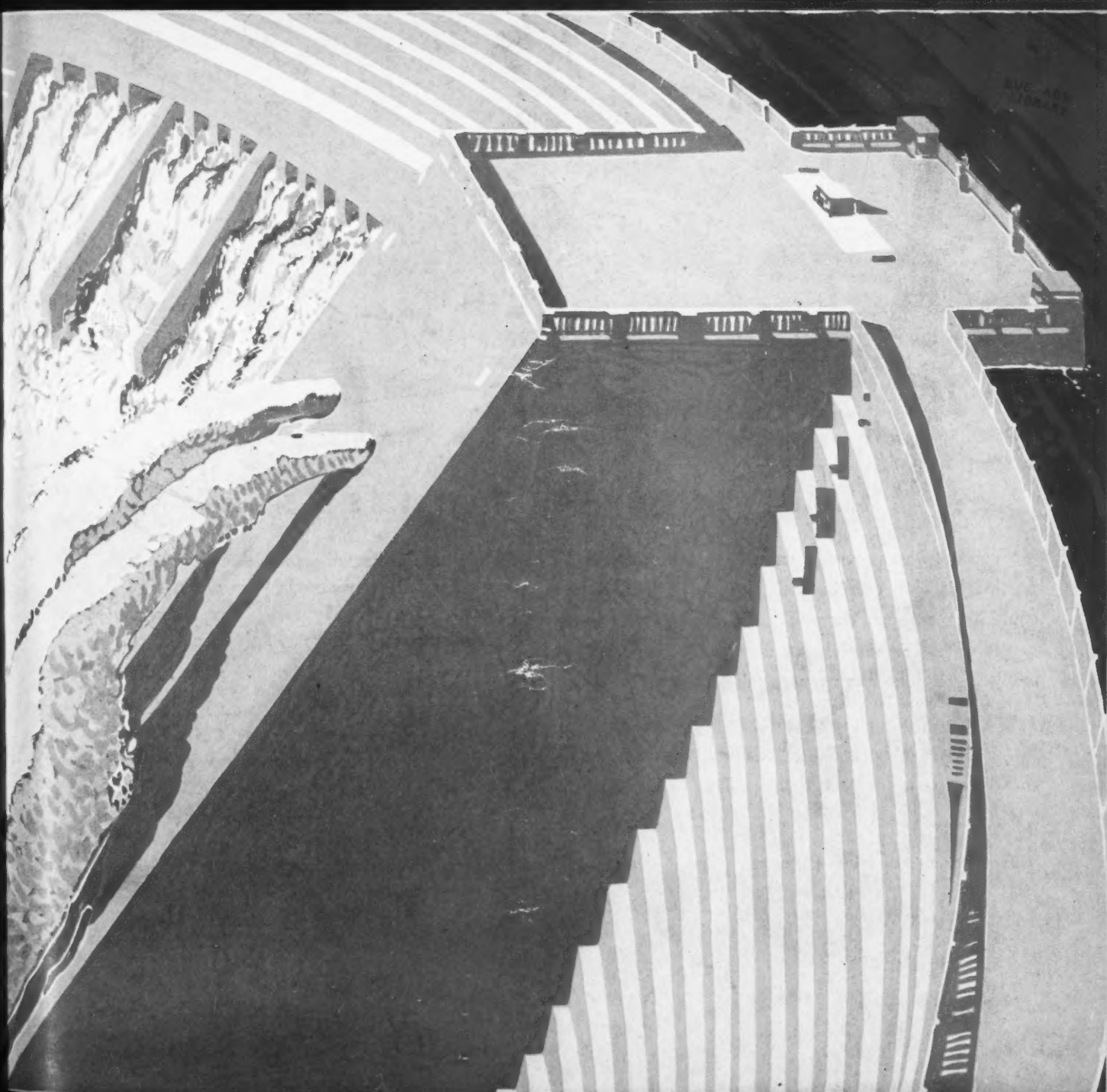


CREDIT

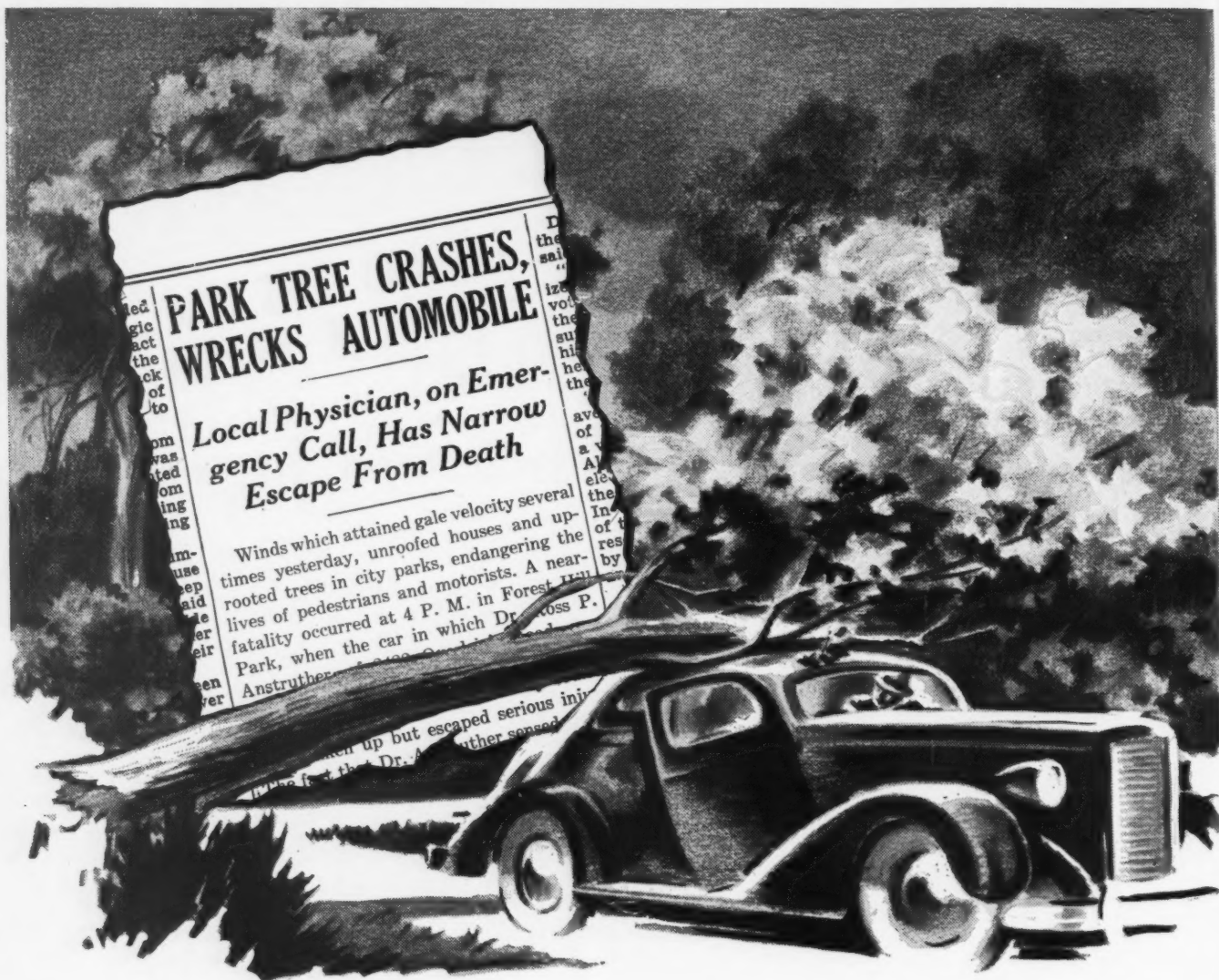
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APR 12 1937

Financial Management



April 1937



HEAVY LOSS—but for One Man's Persistence

"You bet I was scared," smiled Dr. Anstruther as he regaled his club cronies with the story, "and if you could have seen the car you'd know why. I was lucky to get out alive—and lucky also that, thanks to *one man's persistence*, the car was fully insured.

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The *one man* of this story was an F. & G. FIRE representative—again demonstrating the value of sound and competent insurance counsel. Look in your telephone book for the name of your local F. & G. FIRE agent.

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Cover illustration by WILLIAM ROSCOW

Official Publication of the National Association of Credit Men

One Park Avenue, New York, N. Y.

1309 Noble Street, Philadelphia, Pa.

Richard G. Tobin
Editor and Manager

Paul Haase
Associate Editor

Clifford T. Rogers
Advertising Manager

ESTABLISHED 1898

VOLUME 39, No. 4

Published on the 5th of each month by the National Association of Credit Men, 1309 Noble Street, Philadelphia, Pennsylvania. Entered as second class matter December 22, 1933, at the Post Office at Philadelphia, Pa., under the Act of March 3, 1879. Subscription price, \$3.00 per year, 25c per copy; Canada, \$3.50; all other countries, \$4.00 postpaid. Copyright, 1937 National Association of Credit Men. The National Association of Credit Men is responsible only for official Association statements and announcements printed herein.

THE TRAVELERS

L. EDMUND ZACHER, *President*

HARTFORD



CONNECTICUT

Annual Statements

December 31, 1936

THE TRAVELERS INSURANCE COMPANY

(Seventy-third Annual Statement)

ASSETS		RESERVES AND ALL OTHER LIABILITIES	
United States Government Bonds	\$313,501,227.00	Life Insurance Reserves	\$728,507,080.20
U. S. Government Guaranteed Bonds	6,896,650.00	Accident and Health Insurance Reserves	10,222,682.17
Other Public Bonds	79,013,905.00	Workmen's Compensation and Liability Insurance Reserves	52,074,099.39
Railroad Bonds and Stocks	60,967,997.00	Reserves for Taxes	4,006,618.49
Public Utility Bonds and Stocks	69,685,513.00	Other Reserves and Liabilities	2,519,128.84
Other Bonds and Stocks	42,577,767.00	Special Reserve	15,617,099.70
First Mortgage Loans	58,335,379.46	Capital	\$20,000,000.00
Real Estate—Home Office	11,878,356.04	Surplus	27,524,646.45
Real Estate—Other	49,251,497.76		
Loans on Company's policies	117,802,455.28		47,524,646.45
Cash on hand and in Banks	14,618,386.68		
Interest accrued	8,101,907.81		
Premiums due and deferred	27,258,231.46		
All Other Assets	582,081.75		
*TOTAL	\$860,471,355.24	TOTAL	\$860,471,355.24

THE TRAVELERS INDEMNITY COMPANY

(Thirty-first Annual Statement)

ASSETS		RESERVES AND ALL OTHER LIABILITIES	
United States Government Bonds	\$6,877,082.00	Unearned Premium and Claim Reserves	\$8,159,709.45
Other Public Bonds	1,951,908.00	Reserves for Taxes	376,411.35
Railroad Bonds and Stocks	1,429,246.00	Other Reserves and Liabilities	481,253.91
Public Utility Bonds and Stocks	1,265,442.00	Special Reserve	7,904,524.70
Other Bonds and Stocks	12,021,111.00	Capital	\$3,000,000.00
Cash on hand and in Banks	1,457,775.60	Surplus	6,909,966.20
Premiums in Course of Collection	1,743,755.96		9,909,966.20
Interest accrued	85,545.05		
*TOTAL	\$26,831,865.61	TOTAL	\$26,831,865.61

THE TRAVELERS FIRE INSURANCE COMPANY

(Thirteenth Annual Statement)

ASSETS		RESERVES AND ALL OTHER LIABILITIES	
United States Government Bonds	\$11,716,788.00	Unearned Premium and Claim Reserves	\$12,986,616.90
Other Public Bonds	500,376.00	Reserves for Taxes	481,068.74
Railroad Bonds and Stocks	1,053,013.00	Other Reserves and Liabilities	102,060.47
Public Utility Bonds and Stocks	2,709,483.00	Special Reserve	2,474,135.53
Other Bonds and Stocks	3,321,986.00	Capital	\$2,000,000.00
Cash on hand and in Banks	2,127,000.35	Surplus	5,031,973.70
Premiums in Course of Collection	1,509,243.50		7,031,973.70
Interest accrued	120,396.19		
All Other Assets	17,569.30		
*TOTAL	\$23,075,855.34	TOTAL	\$23,075,855.34

THE CHARTER OAK FIRE INSURANCE COMPANY

(Second Annual Statement)

ASSETS		RESERVES AND ALL OTHER LIABILITIES	
United States Government Bonds	\$1,005,055.00	Reserves for Taxes	\$ 1,164.52
Cash on hand and in Banks	213,365.08	Capital	\$500,000.00
Interest accrued	5,356.78	Surplus	722,612.34
			1,222,612.34
*TOTAL	\$1,223,776.86	TOTAL	\$1,223,776.86

All bonds not in default are valued on the amortized basis and all other bonds and stocks at valuations provided by the National Association of Insurance Commissioners.

*Assets include securities deposited with State and other authorities, as required by law:

The Travelers Insurance Company \$19,705,962.00; The Travelers Indemnity Company \$1,199,089.00; The Travelers Fire Insurance Company \$683,000.00; The Charter Oak Fire Insurance Company \$300,000.00.

ALL FORMS OF LIFE, CASUALTY AND FIRE INSURANCE

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"Public" life

DN Public life today is life with special emphasis on the "public." It has about as much privacy as a gold fish. With radio commentators, newspaper columnists and other types of services, a man who expects to spend his life in public service must be ready to withstand the "panning" he sooner or later will get. Above all things, he cannot be thin-skinned.

There are radio commentators who do a constructive job, who give credit where credit is due, who try to be constructive and avoid personalities in their analyses. There are newspaper columnists, writing of Washington affairs, who are real educators. Perhaps the more constructive in each group are in the majority. I should prefer to think so. However, I know that the objectionable minority is far too large.

Let almost any man assume public office and he is the target of certain types of criticism which would not be aimed at him were he in private work. Some of this criticism is personal, directed at his private life, and most often completely unfounded. A great deal of it is based upon rumor. And, what is even more highly objectionable, some of the criticism, if carefully weighed, is merely evidence that the public servant is, above all, a human being. Being a human being he is not, and cannot be expected to be, perfect.

It is not conducive to better citizenship, or to respect for government or public office, for falsehoods or human frailties to be stressed constantly and there are inevitable consequences if this is the case. It does not square with the American sense of fair play to stir an innate curiosity or gossipy instinct. Unless more tolerance and closer adherence to factual information is found in some of the comments, it is not unlikely that the laws of libel may be altered, always keeping in mind, however, the freedom of the press which is an essential part of democracy.

Common sense would suggest that they should be altered when the private lives of one man or a group of men are pounced upon for profit-making purposes and the authors seek to stress minor human frailties as indicative of a lack of capacity. The inferential language, the caustic and ugly insinuations that stay within the present libel laws—but are damaging nevertheless, can do neither our people nor better government any real service.

Henry H. Hemen

Executive Manager, N.A.C.M.

Long Distance Rate Reductions bring far-away friends NEARER and NEARER

A SERIES of rate reductions from 1926 to 1937 has substantially cut the cost of Long Distance telephoning. These reductions have been made in accordance with Bell System policy to reduce Long Distance rates whenever improvements in telephony and the volume of business permit.

Today's low Long Distance rates make it easy to keep in touch with out-of-town friends and relatives . . . frequently, pleasantly. They make it easy to do business across the miles with branches, customers and prospects . . . quickly, personally.

Below are rates for 3-minute daytime calls between representative cities. . . . Call some one far away today, and find how much genuine pleasure Long Distance can bring you . . . at low cost.

HOW LONG DISTANCE RATES HAVE BEEN CUT
AS THE RESULT OF 8 REDUCTIONS IN RECENT YEARS:

RATES FOR 3-MINUTE DAYTIME CALLS *		Station-to-Station		Person-to-Person	
From	To	January 15, 1926	Jan. 15, 1937	January 15, 1926	Jan. 15, 1937
Baltimore	Philadelphia	\$.65	\$.50	\$.80	\$.70
Cincinnati	Detroit	1.55	.90	1.90	1.25
Buffalo	Toledo	1.70	.95	2.10	1.30
Boston	Washington	2.40	1.25	3.00	1.65
Chicago	Little Rock	3.40	1.65	4.25	2.20
Atlanta	Kansas City	4.30	2.00	5.35	2.65
Denver	Seattle	6.60	3.00	8.25	4.00
Dallas	New York	8.80	4.00	11.00	5.25
Chicago	San Francisco	11.90	5.00	14.85	6.75
New York	Los Angeles	15.65	6.25	19.55	8.50

* Night and all-day Sunday rates are still lower.



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Monthly statements?

Q Recently the matter of monthly statements was brought to the attention of the Boston Credit Men's Association. As a result of a questionnaire survey, conducted by Secretary J. M. Paul, the following opinions, by a representative cross-section, were expressed.

FROM A MANUFACTURER OF ELECTRICAL GOODS: "Our monthly statement is in triplicate and is headed up at the first of the month, all bills issued during the month are posted on this statement and at the end of the month it is totalled and the ledgers are balanced. The form is then separated and the original ink copy becomes the page for that month in our loose leaf ledgers. The second copy is for distribution to the customer and the third copy is for the use of our collectors. Both of the last two copies go to the collector and are reviewed by him.

"All statements are then sent to the customers, with the exception of statements that have only one item posted to them during the current month, unless that has an overdue balance brought forward. In that event that statement with the one posting on it is sent to the customer. The collectors also take that opportunity of reviewing the statements and sending letters with the statements if the balance is seriously overdue.

FROM A TEXTILE MANUFACTURER: "Four years ago we discontinued the mailing of monthly statements to our commercial accounts. When we decided to make this change, we circularized all of the accounts to the effect that we were discontinuing the monthly mailing but would be very glad to issue statements to those who required them in the handling of their accounts payable. A very small percentage requested that we continue to send them their statements and today these are the only ones that go out.

"The monetary saving was substantial and of equal importance was the elimination of a sizable detail job in our Accounting Department. Statements are now used for follow-up on collection work only. At regular intervals we take off a list of overdue

A symposium of experience and practice from Boston

Babson on credit:

There is always a danger that is inherent in good times. With business increasing monthly, some businessmen become careless and over-optimistic in the granting of credit. In fact, this is one of the reasons why business does not long remain normal but is pushed into a reckless boom. It is important for credit departments to protect themselves and their nation from the possibility of future trouble by not becoming lax when business is good. The credit and collection outlook is still favorable. But credits should be kept in order at all times.

Credit men are the natural "governors" on the engine of business to guard against overspeeding. This means that collections should be pressed when due, and not permitted to get behind just because the business outlook is reassuring. Follow this policy rigorously. Thus you can face the outlook steadily at all times, knowing that you will not find yourself with a lot of uncollectible bills when business difficulties arise in the future. Remember this analogy: Water freezes when it remains stationary, and so do credits and collections.

"The Rotarian."

accounts and request our Accounts Receivable Department to prepare detailed statements in duplicate of the overdue items. The original statement is used as a first follow-up to the customer and our internal records of the first and subsequent follow-ups are kept on the Credit Department's copy of the statement.

"The preparation of these statements

is a continuing operation; i.e., if a customer shows overdue when the next following list is made out, a complete statement is again prepared and submitted to the Credit Department for further follow-up. Statements are usually sent with our collection letters and in all cases the record within the Credit Department is kept on the copy of the customer's statement prepared by the Accounting Department.

"We have found this method of collection to be very effective, in addition to the monetary and labor savings.

FROM A CASKET MANUFACTURER: "The policy of all of our thirty branches is to send out promptly on the first of each month a statement to every customer who owed anything to us at that time, regardless of whether or not it represented a past due bill. This gives the customer an opportunity to check up to see if he has received all bills during the month, and to check with his own record as to how his account stands with us. Moreover, we feel that it represents a gentle hint for payment, and in the case of past due amounts, all the hints that we can put across are essential.

FROM A PAINT MANUFACTURER: "We have also done our experimenting with the matter of monthly statements, and we are glad to advise you how we are now handling the matter.

"We do not send monthly statements to all of our accounts. We have, over a period of time, built up a card file, which indicates those accounts who desire a statement each month. From time to time we add to this or eliminate names, as the occasion arises.

"Many accounts pay entirely from invoice and have no need whatsoever for a statement; other accounts, who are continually going past due, receive letters from the Credit Department regularly, so that there is not much question in their minds as to what they owe. Therefore, we have come to the conclusion that a monthly statement to all accounts is unnecessary.

"We do, however, send a statement to the customer as an invoice matures for payment. That provides us with the start of our collection follow-up.

Some do, some don't!

FROM A KNIT GOODS MANUFACTURER: "A long time ago I sent out a questionnaire about statements and about 40 per cent of our customers did not want statements unless bills had matured and not paid. Consequently we are sending monthly statements to those that requested them, and as I said would figure about 60 per cent of our customers as a whole.

FROM A SHOE MANUFACTURER: "Our accounts receivable are carried on a card ledger, postings to which are made with a bookkeeping machine. Entries on both ledger card and statement are made in one operation, thus the statement is always up-to-date. At the end of the month, all statements are withdrawn and mailed to customers, whether bills are due or not. This has been our practice for many years, and as far as we are aware, the arrangement is entirely satisfactory to all concerned.

"In cases where accounts are past due, the statements are accompanied by dunning notices appropriate to existing conditions. Whether bills are due or not, this method provides opportunity for correction of mistakes without delay, if any errors have been made. In our judgment, the plan is the right one to follow.

FROM A BUILDING MATERIAL MANUFACTURER: "Answering your inquiry relative to monthly statements, it is our practice to send daily bills to our customers who are dealers so that they may have a record of each daily shipment which in turn they can bill to their customers.

"On direct sales to the consumer we send bills on the fifteenth covering the first fifteen days of the month, and on the last day of the month for the last half of month. Statements are mailed to the dealers on the fifteenth and first of the month so that they may check the daily bills that have been sent to them and make sure that none have been missed.

"On our direct charges to the consumer statements are sent on the first of the month. We feel this is good practice as it gives our customers an opportunity to make sure that their

records agree with ours.

"We appreciate receiving statements from the people from whom we purchase materials as it gives us an opportunity to check our account payable and to know that we agree.

FROM A RUBBER GOODS MANUFACTURER: "We discontinued sending out monthly statements in May, 1933. This change has not affected our collections, nor has there been any adverse reaction on the part of our customers. Any customer desiring a monthly statement is put on a special list. These number approximately two per cent.

"The itemized statements necessary during the course of the month or at the end of the month to be used in the matter of collections, adjustments, or attorney accounts are no more today than heretofore.

"Naturally, much money has been saved in eliminating general mailing of statements. It has also permitted a more systematic follow-up of accounts. Before May, 1933, there was a tendency to depend upon mailing of statements as a collection procedure and to await the monthly statements in following up accounts.

This member used the following notice to customers of change in system:

"Re: MONTHLY STATEMENTS
—Effective May 1, 1933, we shall discontinue issuing monthly statements. By retaining the invoices which we send, you will have a complete record of all transactions.

We wish to keep abreast with up-to-date business methods and eliminate the unnecessary expense caused by issuing statements which very often are a nuisance to our customers. If, for any reason, you find that our statement is indispensable, please advise and we shall arrange to forward it to you monthly.

We thank you for the business which you have given us and look forward to receiving further orders from you."

FROM MANUFACTURING CHEMISTS: "Several years ago we decided to reduce the statement work to the lowest minimum. We reasoned that about half of the work had to do with current items, within a 30 days

period, many of which would be subject to discount on the 10th of the following month. We further reasoned that the only advantage in sending out such statements was to make it possible to check against the invoices involved. It is so seldom that there is a slip up caused by invoices going astray that the amount of work involved is hardly warranted. It is much easier to send copies of any invoice that is not accounted for in the monthly statement.

"There are a few of our customers who still desire that we send them statements and of course we comply with their wishes. We succeeded in cutting our statement labor in half, saved all the postage involved, and have still accommodated all customers who for any reason desire a statement.

"We still make out statements for all accounts over 30 days old, but this is not more than 50% of the former work. Among the discount customers are many who buy from ten to 30 items every month, and these active accounts are the ones that formerly took so much time, and which, because of the prompt settlements, really did not require statements except in a few instances.

"In connection with this economy, it may be of interest to some other credit man to know of another economy that we put into effect. Briefly, for all accounts that are not more than 90 days old, we attach a sticker to the statement instead of writing a letter, the tone of the comment on the sticker depending upon the length of time the item has run.

"We do not find that we have slowed up our collections to any great extent by this method, because we still use personal letters on accounts that go beyond a 90 days period.

"Some credit men may argue that personal letters or filled in letters will get the money in quicker, but we have not found that it makes any great difference. We have saved by not having to fill in names and addresses on envelopes or letter-heads because we use open faced envelopes for sending out most of our statements.

"These methods break with old traditions, but because of the economies, we recommend them for experiment."

Five government contract bills

C Political forecasters who prophesied a few months ago that the first session of the Seventy-fifth

Congress would be a tranquil one are seeking some consolation in the fact that even the Washington climate has been unpredictable in this eventful Winter of 1937. From present indications the current Congressional session is likely to be not only one of the longest in recent years, but also one of the most stormy and important in the history of this country. On that point, at least, there is little disagreement today in Washington.

Overshadowing all other current Congressional happenings is, of course, the President's proposed reorganization of the Judiciary. Because of the extensive nation-wide publicity which that subject is receiving it will be passed over here with the brief comment that, at this writing, the outcome of the struggle is still uncertain with the probability of a compromise looming more sharply. It is generally agreed in Washington that whatever the fate of the President's specific proposal, some action will be taken by this Congress to smooth the legal road over which New Deal legislation, past, pending and future may have to pass.

It will probably be at least another month—quite possibly longer—before this epic struggle is ended. Then Congress will turn its attention to several other major tasks, each of which will be of national importance. Possibly of first importance will be the labor legislation affecting wages and hours of work which the Administration is understood to be preparing at the present time. Consideration of that legislation will almost certainly result in prolonged committee hearings and debate on the floor. The proposed reorganization of the governmental machinery will also, if its approval is demanded by the Administration, entail further lengthy consideration. Adjustment of the differences between the Pittman neutrality bill which has passed the Senate,

and the McReynolds bill in the House, is another major pending problem. The Wagner Housing Bill (S.1685) also ranks prominently among the principal items of unfinished Congressional business.

In addition to these first-rank jobs on the Congressional program there are numerous other bills of equal or secondary importance to business interests. Some of those, such as the Black Thirty Hour Bill, (S.175), the O'Mahoney (S.10), Borah (S.721) and Connery (H.R.2881) bills providing for Federal licensing of corporations engaged in interstate commerce, and several other bills dealing with wages and hours of work may be shoved into the background by the expected legislation proposed by the Administration. The nature of the proposals which the Administration may make covering these matters, as well as the equally vital question of labor disputes, is shrouded in secrecy. It will probably remain in that condition until the Supreme Court renders an opinion on the Wagner Labor Relations Act and until the Judiciary reorganization question is settled.

It is generally understood, however, that the expected Administration bill will not include provisions dealing with unfair trade practices. If that supposition is correct, the importance of such bills as those introduced by Senators Wheeler, Nye and King (S.414 and S.1077) to strengthen the powers of the Federal Trade Commission over trade practices, is correspondingly increased.

It is generally believed in Washington today that the final answer of Congress to the much discussed question "What about a new N. R. A.?" will be the delegation of power, possibly to one of the government departments, to enforce a prescribed formula of maximum hours and minimum wages which will have a certain amount of flexibility. Supplementary to that control but independent of its administration would be a tightening up of the gov-

ernment's control over unfair trade practices. The exact method by which maximum hours and minimum wages would be enforced continues to be a matter of extensive speculation. One recent and rather persistent rumor is to the effect that the new Guffey-Vinson Coal bill, which passed the House without a record vote, may be a model to guide the Administration's approach to the problem. In other words, the regulation of hours and wages would be established through specific legislation and codes applying to each of the major industries.

Among other pending legislation of special interest to business men, which can only be mentioned here because of space limitations, are the Chandler Federal Sales Bill (H.R.1619), which is pending in the Judiciary Committee of the House, the Patman Bill (H.R.4722) to restrict the retailing by a manufacturer of his own products, and another Patman Bill (H.R.4726) to prohibit sales on condition of purchase by the vendee for monopolistic purposes and to restrain trade; the Pettengill Long and Short Haul Bill (H.R.1668), the Tydings-Miller (S.100-H.R.1611) resale price maintenance bill, and the Wheeler Anti-basing Point Bill (S.1581). It is too early to foresee the probable outcome of these bills but they are all important enough to justify careful consideration by business men.

A number of bills to amend the Revenue Act of 1936 have been introduced in both the House and Senate. Among others introduced in the House is the Crowther Bill (H.R.3492) which would exempt capital gains from income taxation and deny deductions for capital losses if the capital asset has been held for two years or less. Among several bills introduced in the Senate by Senator King is one (S.195), which would exempt from the corporate surtax on undistributed profits amounts paid during the taxable year for construction or improvement of real property and for the

now before Congress

by C. F. BALDWIN, Manager
Washington Service Bureau

purpose of installing equipment and machinery. The same bill would also exempt amounts paid during the taxable year in discharge of a debt or set aside within the taxable year for the discharge of a debt. The bill, however, specifically points out that the word "debt" does not include a debt incurred after April 30, 1936 but does include an obligation assumed after that date solely for the purpose of refunding a debt incurred prior to May 1, 1936.

All of the proposed amendments of the Revenue Act of 1936 are awaiting action in the respective committees of the Senate and House and will probably not receive action for some time.

In addition to the above mentioned proposed legislation there are a number of bills pending in Congress which are of special interest to credit executives. Among those are the sixteen proposed amendments to the Bankruptcy Act which were mentioned by Mr. Brace Bennitt in the March issue of CREDIT AND FINANCIAL MANAGEMENT. Although the Chandler Federal Sales Bill has been mentioned above, it is desirable to emphasize that this bill, which seeks to establish a uniform federal law of sales, should receive the particular attention of all credit and sales executives.

Of interest especially to credit executives of companies which supply material on federal construction jobs are five bills relating to government contracts which have been introduced at this session and which are briefly described below:

A. The Griswold Bill (H.R.146) to limit awards to bids submitted within thirty days of date of invitation; to require bids to be accompanied by a statement containing the names of subcontractor, material men and supply men intended to be used by the contractor; and to provide penalties for failure to employ such suppliers. This bill was reported without amendment on February 3rd by the Committee on Expenditure in Executive Departments.

B. Two bills introduced by Rep. Celler: (H.R.287), which would endow money paid by the United States to contractors with the character of a trust fund to be applied first in payment of labor and material accounts, premiums on bonds and other specified purposes; and (H.R.290) which is a virtual rewrite of existing laws affecting government contracts and which would eliminate the specific amounts of payment bonds now required by the Miller Act, which was passed at the last session of Congress with the active support of the National Association of Credit Men.

Just a few days

remain before the deadline for submission of essays in the second J. H. Tregoe Memorial Essay Competition. All manuscripts must be received in envelopes postmarked not later than April 15th. Judges will then begin reading and announcement of the winners will be made at the N.A.C.M.'s 42nd Annual Convention in Chicago, June 21-25. Announcement will also be made in the July issue of Credit and Financial Management, and some of the winning manuscripts will be published in that and succeeding issues. Full details of prize awards are available in previous issues of this magazine.

C. The Taylor Bill (H.R.1938) which would eliminate the specific amount of payment bonds as specified in the Miller Act.

D. Senator Logan's Bill (S.1686), to create a Federal Contract Commission, whose members would be Presidential appointees, and to establish a new procedure for government contracts. Among other things, this bill would give the Commission power to prescribe the form of all contracts entered into by the government; to prescribe forms, terms and conditions of bonds, and the rate of premiums which may be included in any bid of a contractor or subcontractor; and to de-

termine such surety companies as will be permitted to execute any bonds in connection with any contract of the government.

The bill would also replace the present bonding requirements of the Miller Act with a new procedure under which the material supplier would file a claim for an unpaid debt with the Commission which would decide the validity of the claim. Because of these and other provisions of this bill, the proposed legislation should be studied carefully by every firm which is interested in furnishing material under a government contract whether or not it is a party to such contract.

This brief survey of the Congressional situation as of the end of the third week in March is, of course, not intended to give a complete picture of even all of the important legislation which is pending. In the smoke of controversy over the Judiciary reorganization proposal it is not possible to foresee clearly the probable action which much of that legislation will receive.

It seems probable at this writing, however, that Congress will remain in Washington well into the Summer and that before the session is concluded a considerable amount of additional legislation of vital interest to American business will be placed upon the statute books. While much of the legislation already introduced in Congress has important economic implications it is probable that the latter months of the session will witness the introduction of equally or even more important legislation. In addition to the expected legislation concerning wages and hours of work, legislative proposals dealing with such questions as corporate financing practices, trustees under corporate indentures, investment trusts and similar matters are expected to be brought forward by the Administration.

The first session of the Seventy-fifth Congress is hardly likely to be a brief or a tranquil one but it will almost certainly be a momentous one.

Welcome N.A.C.M.

say Governor Henry

Horner of Illinois

and

Mayor Edward J. Kelly

of Chicago



OFFICE OF THE GOVERNOR SPRINGFIELD

HENRY HORNER
GOVERNOR

March 10, 1937

Mr. J. F. O'Keefe,
Secretary,
The Chicago Association of Credit Men,
Merchandise Mart,
Chicago, Illinois.

My dear Mr. O'Keefe:

When they assemble at their annual convention, to be held in Chicago next June, if you will extend to the delegates and visitors of the National Association of Credit Men a cordial welcoming greeting in my name, I shall be grateful.

All roads lead to Chicago; because it is centrally and conveniently located, and its beauty and facilities for entertaining visitors are rivaled only by the warm-hearted hospitality of its citizens. The acknowledged commercial center of the nation - with the finest of hotels, theaters, museums, parks, and entertaining attractions - Illinois' great city on the shores of Lake Michigan is the appropriate place for the credit men of the United States to foregather.

That their 1937 convention at Chicago will ever remain a very pleasant event in the memories of the members of the National Association of Credit Men is my sincere wish.

Sincerely yours,

Henry Horner
Governor



OFFICE OF THE MAYOR CITY OF CHICAGO

EDWARD J. KELLY
MAYOR

March 10, 1937

Mr. J. F. O'Keefe, Secretary
Chicago Association of Credit Men
Merchandise Mart
Chicago, Illinois

Dear Mr. O'Keefe:

As the time for the convention of the National Association of Credit Men approaches, I want to extend to all the members of your great organization my cordial greetings as well as my assurances of a most hearty welcome on the occasion of their visit to Chicago in June.

Chicago deeply appreciates the honor which your group has conferred upon us by selecting this as your host city for 1937. We shall extend every possible hospitality and do everything we can to help make this year's convention one of the most pleasant and successful conventions your group has ever had.

I trust that the time of your visiting members will not be fully occupied by the business which brings them here. I hope that they will get an opportunity to travel over our miles of scenic boulevards and visit our gorgeous parks as well as the Field Museum, the Adler Planetarium, the Shedd Aquarium and many other cultural and educational institutions. Also, for their recreation, we have in our city an abundance of entertainment -- especially some of the many events which will be staged in connection with the celebration of Chicago's Charter Jubilee this year. Then, of course, many of your members will be interested in the major league baseball games which will undoubtedly be on here at the time of the convention.

Chicago awaits the coming of the National Association of Credit Men.

Sincerely yours,

Edward J. Kelly
Mayor

Go! Chica—go!
N. A. C. M. 42nd Annual Conven-
tion and Seventh Credit Congress
June 21-24

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tion and Seventh Credit Congress
June 21-24

Development Program gains widespread approval

Hampton M. Auld, Jr., Sec. & Treas.
Hampton Auld, Inc.
Newark, N. J.
President, New Jersey A. C. M.

I sincerely believe that all firms in all industries who extend credit, regardless of association membership, should be vitally interested in the Development Program of the National Association of Credit Men, in that it will result in a big dividend paying investment in improving credit conditions throughout the entire nation.

Members of the Association in addition to deriving this same benefit will, through the further development of Association activities, find themselves in an enviable position, benefiting directly from the many services the Association will be in a position to render. I heartily endorse the Program in its entirety.

C. L. Bonson,
The Allen-A. Company,
Kenosha, Wisconsin.
First Vice Pres., Chicago A. C. M.

The same careful planning that is so evident in the constructive far-reaching Development Program, seems to have extended to the budget covering the spending of the fund when raised. The membership should now get behind this great movement and show its appreciation of the work of the Board and the committees responsible for this fine Program.

A Development Program conceived for the sole purpose of increasing profits by reducing losses will appeal to the management as well as to credit men and women. The Program is complete. No criticism is offered. I pledge my whole-hearted support.

Mercer Brugler,
The Pfaudler Co.,
Rochester, N. Y.
Director, Rochester A. C. M.

The social aspects of our National and affiliated Associations are admirably



Gendreau

ble. The fellowship at meetings, the interchange of ideas, the widening of the circle of acquaintances; all these things are splendid and form a valuable part of the Association's program.

But it must be remembered that the basic and serious business of the Association is in the development and expansion of business profits through serving the commercial and financial credit interests in the United States.

The Association has lived up to this standard in the past. Its accomplishments include:

- 1—*Development of adequate Bulk Sales Laws.*
 - 2—*Development and improvement of National Bankruptcy procedure.*
 - 3—*Prosecution of commercial frauds.*
 - 4—*Development of false financial statement legislation.*
 - 5—*Reducing wastes in liquidations through Adjustment Bureaus.*
- and many other similar things.*

That this basic type of service may be continued and expanded in the fu-

ture is the aim of our National Development Program.

C. Sharpless Jones,
Ernst & Ernst,
Philadelphia, Pa.
Vice President, The Credit Men's
Ass'n. of Eastern Pa.

It is my belief that the Development Program placed before the members at the 41st Convention will prove itself to be one of the outstanding events in the annals of the National Association.

The program as presented reflects keen foresight on the part of the Executive Manager and indicates Mr. Heimann's clear conception of the unusual opportunity that current conditions have made available to the Association to increase the value of its service to the general membership.

Great masses of legislative and regulatory measures recently enacted, all of which have a direct or indirect bearing on the extension of credit and business generally, must be carefully analyzed and diligently followed by a well-equipped and qualified staff.

If every member could have the full purport of this constructive program fully revealed to him, there would be no question regarding support, not only financially but in time as well.

J. J. Killacky,
John Sexton & Company,
Chicago, Illinois.
Director, The Chicago Ass'n. of Credit Men

Excessive credit losses often created during periods of prosperity, but not recognized at the time, can be most effectively guarded against through a strong, active, national association. I give whole-hearted support to the Development Program because it will permit expansion of those necessary activities of the National Association of Credit Men to hold credit losses within normal bounds.

Credit wise — or otherwise!

by W. C. NORTH, Credit Manager, Breyer Ice Cream Co., Newark, N. J.

OF Many executives are complaining of the lack of successful collection correspondence and correspondents are complaining of the difficulty in writing good collection letters. This may be because the credit letter has been set up as a distinct type, and a type which only an expert can successfully produce. This is a popular fallacy which must be dispelled if we wish to obtain more effective collection letters.

I wish to convey the thought that collection letters are no more difficult, nor do they require any more skill than any letter that has as its purpose the accomplishment of certain definite objectives.

I have read sales letters, advertising letters, credit letters, love letters, and even chain letters, and when the conceded good is distinguished from the mediocre and the poor, I can find no difference in the principles which make the good letters good, regardless of their subject matter. If we accept this theory and can write a good letter, then we can write a successful collection letter.

The sales manager properly informed as to the status of a past due account could write a collection letter that would put the average credit man to shame.

May Allah be merciful. May the wrath of my colleagues not descend upon me for this statement. I have found this true because they are sold on the results that letters bring, and have schooled themselves in the art of letter writing. By their very nature they try to sell their idea rather than force it. They are familiar with the principles of advertising and consequently know how to be attractive, entertaining, and interesting.

We must overcome the theory that friction between credit and sales will accomplish the best results. The so called middle-road can never be reached by the opposition of two strong forces. There is a greater chance that the good



in each will be killed in the battle. It may be easily proven that the purpose of both departments are identical, the division merely being made so that the personnel may devote their time to specific duties and it is certainly not the desire of wise management to foster conflict in the performance of these duties.

Consider the question, Why credit? and you have the answer, credit is an inducement to sales. There would be no credit if we could do an equal volume of business without it. Too many credit men work along the theory that it is their job to eliminate as many sales as possible. They deliberately investigate their applicants for the purpose of finding a pretense to reject the order. This is what we call working for a record, and it is engendered by the exponents of the conflict theory.

Consider this letter written by a credit man interested solely in getting the check.

Dear Mr. Jones:

There is a balance of \$100.00 due on your account. We have just been informed by our sales division that you have discontinued the purchase of our

product. When a customer discontinues purchasing we feel that he should immediately pay his account.

We suggest therefore that you take care of this matter promptly.

Very truly yours,
JOHN DOE COMPANY

Consider this letter written by a credit man whose aim is to cooperate with the sales division.

My Dear Mr. Jones:

We have learned with regret that you have discontinued the purchase of our product. There is a balance due of \$100.00 for which we shall appreciate a check at your early convenience.

We want to take this opportunity to thank you for the business which you have given us, and to assure you of our desire to serve you again.

Most sincerely yours,
JOHN DOE COMPANY

Every business house is affected either favorably or otherwise by the reaction its letters create. Consider the following letters, both covering the same situation but written by different credit men.

I

Dear Mr. Smith:

Our files show that we have written to you several times requesting payment of your overdue account. Of course we have not received payment, neither have we had the courtesy of a reply. We must insist that you give this matter your immediate attention.

A stamped envelope is enclosed for your convenience.

Very truly yours,

II

Dear Mr. Smith:

When we are dealing with a good merchant and his bill has become past due, several good reasons come to my mind. It may be an oversight, it may be sickness. Some emergency may have arisen that necessitated postpone-

BREYER ICE CREAM CO.



PHILADELPHIA • NEW YORK • NEWARK • WASHINGTON

October 31, 1936

" THE AIM OF A WISE BUSINESS MAN "

The Creditor says: The trust we place in a debtor is not fully exemplified by the limit placed upon his account. The fact that the debtor's credit is not instantly terminated when he exceeds the limit mutually agreed upon does not indicate that his account has been overlooked by the credit man but rather indicates additional trust reposed in him. It therefore becomes the debtor's obligation to see that this trust is not misplaced and to acknowledge such consideration by making amends for the contract which he has broken.

Credit is a powerful force for good when properly directed but it is an equal force for evil when abused. It is incumbent upon the creditor to prevent the abuse of credit, by the elimination of unsound risks, by the rigid maintenance of terms, and by the insistence upon the sanctity of obligations. Such direction will prevent the overexpansion of credit, which is the creditor's chief interest from a broad point of view.

The Debtor replies: I am the giver of credit and you are the recipient of my credit. I use credit for many reasons, either for the convenience of accounting and delivery procedures, or for the increase of mutually profitable sales, or as a temporary emergency, for cash shortage. Good credit is essential to the maintenance of sound business and from purely a selfish point of view, I insist it is to my best interest to build and protect credit.

And so it is apparent that creditor and debtor concur in the belief that credit is fundamentally essential to business, that the prevention of its abuse is to their joint interest and to keep it unblemished - is the aim of a wise business man.

Sincerely yours,

BREYER
W. C.

ment, or it may be that there is something unsatisfactory of which we are not aware.

Yes Mr. Smith, even a credit man believes that there are times when payments may be justly delayed. But honestly, I can't think of any reason why you haven't written to us.

Whatever the situation may be, why don't you tell us about it. You will always find us willing to cooperate.

Most sincerely,

Generally speaking, credit men do not give sufficient thought to their correspondence. They are usually so wrapped up in the "get the check" idea, that they lose sight of everything else. This is unfortunate, not only because it narrows their field, but also because it fails to bring enduring results. Because a letter gets a check does not mean that it is successful. The credit man who confines his job to getting a check is like the salesman who makes a sale and not a customer. Both are so engulfed in the present that they neglect the future.

When we think of the principles for which good credit men stand then we realize the results letters must attain before they may be considered successful. To the business world, it is his

duty to prevent the overexpansion of credit. To his profession, it is to spread the canons of business ethics. And to his company, it is to profitably increase the sales of merchandise. These are the principles for which a credit man must stand.

The wise credit man will expound these principles through his letters. There is no better way than through direct mail advertising, and he has this force at his command every time he bills his customers or writes a letter. I do not mean that the credit man should try to find a pretense to write, but when he has a message to deliver he should not hesitate to do so. Big events, special occasions, holiday seasons, etcetera, furnish a splendid opportunity to put over a special appeal.

Illustrated on these pages are examples of a few types that may be enclosed with the statement:

- (1.) The Aim of A Wise Business man.
- (2.) Requisites of Sound Progress.
- (3.) We Give Thanks.
- (4.) Clear Vision.

Credit is a serious subject and sincerity should conspicuously associate itself with it. Credit letters should be

BREYER ICE CREAM CO.



PHILADELPHIA • NEW YORK • NEWARK • WASHINGTON

February 15, 1937

" THE REQUISITES OF SOUND PROGRESS "

There has been so much discussion about the Depression, its causes and remedies that today we really pay very little attention to anyone who endeavors to talk about it. To use a common expression, "we're fed up on it." This is a good sign. The more we ignore it, the less it can aggravate us and the sooner it dies. The good it has taught is acknowledged by those who learned how to fall and rise again, a lesson which must compensate for all the Depression's tragedies.

Of the causes of the Depression, we shall never be definitely sure. One theory is probably as good as the other. All of the theories combined, is probably closer to the real answer. What we do know is, the Depression was unpleasant. There was a wrench in the wheels of progress, and the gears wouldn't mesh properly. Two outstanding features were visible, a lack of MODERATION among men and a cessation of the NORMAL conduct of business.

It behooves us, therefore, to take full advantage of our hindsight. Live with moderation, beware of extremes or superlatives, and bend every effort to maintain the normal conduct of business. Buy for your normal needs, sell at a fair price, and pay your bills according to the terms of your contract. These are the requisites of sound progress.

Sincerely yours,
BREYER ICE CREAM COMPANY


W. C. BORTH, Credit Manager

particularly earnest. This does not mean that they cannot be friendly or even cheerful, but I don't believe that jingles, tricks or stunts ever accomplish any enduring results. They may satisfy the ego of the writer, but they can never build prestige nor respect for him or for his house. You can be and should be both friendly and sincere.

Ninety percent of the credit men will say, "I am sales minded." But if they sit down and do some real hard thinking they will ask themselves these questions:

1. What have I done besides approve and reject accounts?
2. Have I sincerely cooperated with the sales division?
3. How much good will have I created?
4. Have I really brought prestige to my company?

There are some credit men who actually believe they are being sales-minded when they allow a questionable risk to slip through. This is, of course short-sighted and detrimental. The real credit man is the custodian of the assets of his company. The assets are not merely the cash and material holdings, but also good will and prestige.



BREYER ICE CREAM CO.

PHILADELPHIA • NEW YORK • NEWARK • WASHINGTON

November 26, 1936


"WE GIVE THANKS"

Another Thanksgiving is here, a day set aside to give thanks, a day to be grateful for the better things of life. This Thanksgiving should be particularly auspicious, particularly hallowed because there are so many who will realize more than ever before the true purpose of this day. More people will be of serious thought and will offer thanks, not for their tangible profit nor material holdings, but rather for the unseen principles which make possible these visible things.

This year we realize "the grass is not greener far away." We give thanks that we are Americans. We give thanks for the underlying principles that make America a good place to live in.

In private life and business life, we can trust our fellowman. Our credit is good, because real Americans will hold sacred any contract they enter into, and because real Americans will pay their bills. Because no influence can snuff out these inherent ethics, we give thanks.

Sincerely yours,
BREYER ICE CREAM COMPANY
W. C. NORTH
W. C. NORTH, Credit Manager



BREYER ICE CREAM CO.

PHILADELPHIA • NEW YORK • NEWARK • WASHINGTON

Dec. 21st, 1936

CLEAR VISION

During the year now drawing to a close, we have from time to time mailed to all of our dealers who have the advantage of charge accommodations letters pertaining to credits, collections, etc. These letters have been mailed to the prompt and the slow payer alike. They were and are intended as a courteous reminder to the slow payer and to the prompt a message of appreciation. With this dual purpose in mind, we have tried to maintain a tone of tolerance, courtesy, dignity and gratitude.

There is another reason for sending these letters to all debtors; that is to spread the canons of business ethics and thus keep mindful the value of good credit. We believe this to be an important function of the credit department. We hope also to build goodwill, a goodwill akin to friendship, with our dealers. It is for this reason, we stress cooperation, team work, and confidence.

And so our message to you for the close of the old year, and the beginning of the new, may be called, "Clear Vision". There isn't anything more important than to understand what has passed and to vision what must be met in the future. The best way to accomplish this is to clear up all obligations. We realize this cannot be done in every case one hundred percent, but there is an alternative; that is to establish a definite and scientific plan to take care of the old and to meet the new.

Thank you for the business you have given us, and may the New Year bring health and sound progress.

Sincerely yours,
BREYER ICE CREAM COMPANY
W. C. NORTH
W. C. NORTH, Credit Manager

Returns

A definite plan for adjusting disputes over merchandise returns between retailers and manufacturers has been drawn up by the National Retail Dry Goods Association and the apparel industries, according to a recent announcement by Channing E. Sweitzer, managing director of the N. R. D. G. A. The plan provides for returns only when goods are defective or for other non-conformity with terms of the order; for advice in writing from retailers to manufacturer as to reasons for returns; and for arbitration of grievances.

Farm cash

Cash receipts from the sale of principal farm products for the year 1936 were higher than the previous year in all geographical regions of the country, the Bureau of Agricultural Economics reported. All states showed larger farm receipts, except Montana, Arizona, Oklahoma and North Carolina. The largest increases over a year ago occurred in the North Central States, where, despite the drought and smaller crops, cash receipts averaged nearly 20 per cent higher in 1936 than in 1935.

The credit executive, B. D.

CF The motion pictures, magazines, modern education, radio and the motor car have been the most dominant factors in the cultivation of a desire for pleasures, luxuries and new comforts in the minds of the retail consumers, and have in large part revolutionized methods of production and merchandising.

No one will question that the interests and tastes of the consumer, especially so, or perhaps it is better to suggest more pronounced, in the small communities, have drastically changed in the last twelve or fifteen years.

Within the past few years, easily within the memory of the average merchant, there has been an awakening of the youth of the countryside and average village which has been the downfall of many small town merchants, and has likewise frequently alarmed their parents.

Within your memory and mine, the girl of the small community was content with her sunbonnet, calico dress and cotton stockings, and the boy, well into his teens, was satisfied with corduroy pants or overalls. Not so today. The young lady simply must have a dress like that seen in the movies, or in the big city store advertisements, as well as at least one evening or party dress with slippers or sandals to match and, of course, silk stockings and other trimmings. While her young boy friend undoubtedly has his tuxedo and all that goes with it, to say nothing about his sport suit and other accoutrements.

Pull your chair up by the fireside, light your pipe and let your mind wander back a few years. Your mind's eye will clearly visualize the picture. Then, let your mind travel slowly and thoughtfully down through these last few years, and witness, as I am sure you will, that evolution of the methods of living, the pleasures and comforts which both young and old, both city and country folk, require today as compared with only a score of years ago.

Then, go back again while in these moments of reflection and apply the same review to the methods of merchandising. The old country store has pretty well disappeared. It's a rare

by **E. B. MORAN, Manager,
Central Division, N. A. C. M.**

and unusual sight today to find the old Indian statue in front of the cigar store. Those old symbols are today but relics to be found in museums.

The merchant who continued to cling to the good old easy way, who lacked faith in constant changing and progressing trend of customer demand, who was without courage to venture along new paths of merchandising, or who was not conscious of the commercial revolution that was going on about him, has been eliminated through the bankruptcy courts, the Adjustment Bureaus of the Credit Men's Associations or groups of creditors, and this weeding-out process still goes on.

The merchant who sat behind his counter and closed his eyes to this evolution of merchandising was, in most instances, guilty of commercial suicide. We do not live in a static commercial existence. We progress, or retrogression takes its toll.

In many instances these changes have more or less swept the merchant off his feet. The reluctance of so many merchants to see themselves as others have viewed them, has been one of the difficult and unfortunate factors in the situation. It is often surprising to observe how few men ever try to determine their own status in a community; to learn the customer's attitude toward their business. The four walls of their little stores become the limit of their visions and are their entire universe. At the same time, their "former" customers speed by to trade with a competitor in the next block, or the nearby town or city, who has adopted the new order of things, who has caught the vision of modern merchandising and who has had the initiative to adapt himself and his business to the new deal, which will successfully meet consumers' demands.

No business, large or small, is outside the charmed economic circle. No business can progress if its management gives the cold shoulder to the basic

principles that are responsible for the success of kindred businesses.

It seems a shame, as well as an economic loss, to permit many of these merchants to slip and slide and finally crash. Every business, regardless of how small it may be, that is forced to discontinue, causes a loss far beyond the probable loss absorbed by the creditors, which consists of the difference between the actual sum owing each creditor and the usual nominal dividend each will receive through bankruptcy, compromise or pro rata distribution in liquidation.

There is the loss of the business itself. The probable loss to its various sources of supply from future volume. Another vacant store in the community. A discontinued payroll, and consequently a decreased purchasing power which will affect the entire community.

The unfortunate situation lies in the fact that a very large percent of these merchants who pass out, many of them sincerely desirous of continuing in business, many with ambition, honesty and a willingness to work earnestly and long hours, could have and can be saved. They could have been directed and trained in modern methods of merchandising, thus maintaining in operation a desired source of distribution, which would be profitable to suppliers and an asset to the community.

When business executives recognize, and the merchants discover, that retail business is the very life-blood of a community and then proceed by cooperation to keep that blood circulating, the result will be a natural quickening of the pulse of every activity that goes to make up a normal and healthy community life.

The present modernized methods of credit analysis, particularly as provided through the cooperative exchange of creditors' ledger experiences and other credit information, combined with the periodical meetings of various trade groups, where the methods of operation, competitive procedure and merchandising problems generally are thoroughly considered, provide the most effective means of forecasting the failure of a merchant.

Sensing such conditions, where the situations have not reached the hopeless stage and the merchants indicate a willingness to follow the recommendations of their creditors, many of them can be and are annually saved, through practical, feasible plans for their rehabilitation, thereby being provided with a new motivating influence, and under the supervision of the Credit Men's Association's representatives they are often given new direction and initiative.

The aggressive credit executives of the manufacturing, wholesaling and jobbing houses are generally alert to such opportunities of service, through the medium of the National Association of Credit Men's facilities as "Business Doctors" (B. D.), for they recognize in such activities the responsibility of being a factor in increased turnover and production, of rendering direct assistance to sales increase and the fulfillment of their obligations as guardians of the Nation's Profits.

Were it not for this type of constructive business service, which is daily being carried on without the fanfare of trumpets or the wild applause of stockholders, the credit losses of the nation would be doubled and the returns on invested capital reduced accordingly.

General business conditions are ripe and ready for a major advancement. With business recovery taking on momentum daily, new conditions of merchandising, financing and production will again speedily confront the average merchant. The trend of commercial operations can not be made to conform to any fixed or permanent pattern. These constantly changing conditions will never leave the merchant free of dangers. The hazards confronting the merchant, as well as the opportunities offered him, will be greater in the next couple of years than ever before.

Tremendous developments are in the making. Economic planning is being studied and soon will be accepted even by the most doubtful observer of today. A decentralization of many large industries can be contemplated, which will result in an increased number of production units with smaller capacity being organized and scattered throughout the country.

Business operations, large and small, are changing rapidly these days. One line of goods is taking the place of another. One method of doing business



Convention speaker

One of America's foremost business leaders has already definitely promised to appear at the National Convention of the National Association of Credit Men in Chicago, June 21-25. He is W. Averell Harriman, Chairman of the Board of the Union Pacific R. R.

Although he holds many business positions, Mr. Harriman has achieved an outstanding reputation in the past few years with his pioneer experimen-

is being supplanted by another. Confronted with such conditions, the average merchant must not only be farsighted and consider the effect these changes will have upon his operations, but must prove sufficiently alert and aggressive to move his business operations along the line that will insure safety, progress and protect his capital.

The Credit Executive, with the aid of his professional Association, is cautiously watching and guarding against all possible rocks and shoals of danger which might cause the merchant trouble, is standing by ready to assist, to advise, to make a market or location analysis, to offer budget and financial suggestions, to give merchandising aids, and to prevent over-expansion.

Realizing that we are undoubtedly entering a period in which there will be constant development of new conditions and situations, the National Association of Credit Men has undertaken a nationwide Development and Expansion Program, broad enough to include the fundamentals required in the successful functioning of factual services, such as a nationwide educa-

tation and research in the improvement of passenger service.

Since Mr. Harriman became Chairman of the Board of the Union Pacific Railroad, he has introduced the new light-weight, stream-line trains with greatly improved service to coach passengers. These steps, together with reduced rates in which he was also a pioneer, have done much to increase the volume of passenger traffic and have influenced the whole industry.

Mr. Harriman is partner in the private banking firm of Brown Brothers Harriman & Co. of New York, Philadelphia, Boston and Chicago. He is also Chairman of the Executive Committee of the Illinois Central Railroad and a member of the Board of Directors of the Guaranty Trust Company of New York and the Western Union Telegraph Company.

In other activities he is a member of the Palisades Interstate Park Commission and Chairman of the Business Advisory Council of the Department of Commerce. For a number of months during 1934 and 1935 Mr. Harriman served in the National Recovery Administration as Administrative Officer.

tional program, legislative activities, research mediums, business service, publicity and publications. In addition to those factors, relating to the basal economic system, which affect business and credit, the Program embraces the expansion of the Association's rule for exchanging ledger experiences and other credit information between members, as well as the enlargement of the facilities for the collection of delinquent accounts, the handling of adjustments, with particular emphasis on merchant rehabilitation. All of these activities will further elevate the standards of credit management to the position of a profession so that the Credit Executive may and will be properly looked to as a "Doctor of Business."

It would seem from all the facts at hand, there is no limit to the possibilities of service and help to general business that may be attained in the next few years by the Credit Executives, B. D., who have the power and capacity to seize the worthwhile opportunities which will virtually grow out of every new situation, and who take advantage of the various facilities of their Credit Association.

Go-Chica-Go!

With that slogan the Chicago A. C. M. Committees are already at work on plans and programs for the 42nd Annual Convention, N. A. C. M., and Seventh Credit Congress

CF This year Chicago celebrates its One Hundreth Anniversary as a Chartered City.

In the midst of this Centennial Celebration, the National Association of Credit Men will hold its Forty-Second Annual Convention and Seventh Credit Congress of Industry. It is very appropriate that the Credit Men of the nation should convene in Chicago this year—as it is due to men who understood the value of Credit, that Chicago was saved from bankruptcy at its very beginning.

A century ago, Chicago's Mayor Ogden found the growing city in desperate financial need. The State of Illinois was bankrupt and could furnish no assistance. Many of the Mayor's associates and would-be counselors advised a moratorium on debt as the only way out. The Mayor did not believe this was wise, honorable, or necessary and opposed it so vigorously that the plan was defeated. Script was issued and was accepted so wholeheartedly that soon it was circulating at par, and Chicago was saved from the plight of Illinois. Historians have given the credit for aiding Mayor Ogden, and making possible the achievement of this end, to men who understood business and who had faith in the city's future—persons who today would be called "Credit Men."

So, while in Chicago in June, it may give you deep satisfaction to offer a toast to the memory of those rugged, hard-headed pioneers who understood the value of sound credit, and helped the struggling infant city through a very serious situation.

Chicago! Acclaimed Vacation City and Amusement Center of inland America! Chicago wishes to prove to over five thousand expected delegates, next June, that she has unrivaled facilities for combining business and pleasure. More than one million convention delegates convene here every

by H. P. HEAVISIDE, Chairman
Registrations Committee



Arnold

year. Chicago knows how to entertain the mas well as furnish suitable conveniences for their conventions. The people of Chicago are hospitable and friendly, and cordially invite you to "linger awhile" and enjoy the city with them.

For recreationists there are miles of well kept sunny beaches, beautiful boulevards, acres and acres of parks, golf, big league baseball, horse races, first-run pictures in air-cooled theatres, and a Heavyweight Championship Prize Fight on Tuesday, June 22.

Chicago has the world's most active airport which is reached in a few hours time from any point in the United States.

Chicago is the world's greatest railroad center. It is the point from which those "streamlined" passenger trains reach to all places—no other city has as many hundred-mile-per-hour trains.

Radiating from Chicago are endless miles of concrete highways, about which you need not be reminded, as

they connect with every road in the country and no doubt have already been traveled by you.

Big league baseball, horse racing, polo, auto racing, etc., etc., are among the sporting events in Chicago in June. Also, there are many attractive places of national and world-wide interest that may be visited:

From the upper floors of the Stevens can be seen 'one of the largest stadia in the world—Soldiers' Field—where 140,000 singers will assemble this summer to participate in Chicago's Musical Festival.

Across Michigan Boulevard, on which the Stevens is located, is Grant Park, and a short distance beyond is Lake Michigan. In Grant Park, directly across from the Stevens, is Buckingham Fountain, whose clear sparkling waters by daylight are illuminated at night by colored lights. This is classed as one of American's most beautiful monuments. In Grant Park also are grouped many famous institutions which visitors to Chicago seldom choose to miss. Some of these are: Field Museum of Natural History (admission free on Thursday, Saturday and Sunday); Adler Planetarium (admission free on Wednesday, Saturday and Sunday); Shedd Aquarium (admission free on Thursday, Saturday and Sunday). This is one of the newest and most complete aquariums of the world. It contains more than 10,000 specimens.

In the Brookfield Zoo the animals are not confined in cages with iron bars. The visitor wanders about and has an unobstructed view of the wild beasts, yet he is adequately protected by intervening deep ditches and rows and rows of pointed iron spikes across which soft footed animals will not walk. (Admission free Thursday, Saturday, Sunday and Holidays).

Immediately north of "the loop" is Lincoln Park. Here is located Chi-



The Chicago River Bridges (above) and Michigan Boulevard (below)



cago's oldest zoo, famed throughout the country for its unusual specimens. (Admission free daily).

The Chicago Historical Museum and its superlative collection of American historical mementos is also located in Lincoln Park. Even the anchor that Columbus dropped when he discovered America is to be seen here. (Admission free on Monday, Wednesday and Friday).

This is Chicago's newest museum, made possible by substantial gifts of Julius Rosenwald. The most discussed technical exhibits of the 1893 and 1933 World's Fairs are here preserved. Many working models may be operated by the Spectator. (Admission free daily).

The Oriental Institute of the University of Chicago, located on the University campus, is without doubt one of the notable museums of the world. It houses specimens unearthed by Professor Breasted in his explorations of ancient civilizations in the near East. Relics from Babylon, Thebes, Nineveh—all are there. The museum is also headquarters for the expeditions undertaken by the University in its continuing attempts to fathom the past. (Admission free daily).

High up in the tower of the University of Chicago chapel is installed the Laura Spelman Rockefeller carillon. It ranks with that of Riverside Church, New York City, as the largest in the world. The carillon has a total of 72 bells, ranging in size from ten and one-half pounds to more than eighteen tons. The tuning of the bells is the finest that has ever been achieved.

A few blocks north of the Stevens, on Michigan Boulevard, is the Art Institute housing the second largest collection of masterpieces in the United States. It has a million visitors annually. (Admission free on Wednesday, Saturday, Sunday and Holidays).

As might be expected, Chicago has its share of popular dine and dance spots with nationally famous entertainers and the rhythmic dance bands which you hear over your radio at home.

So *Go-Chica-Go!* the week of June 21st. Unquestionably, it will be the largest convention attendance we have had in years and probably we have ever had. We Chicagoans are leaving no stone unturned to make your visit with us valuable, happy and unforgettable.



The Field Museum, opposite Stevens Hotel, (above) and The Merchandise Mart, Chicago A.C.M. offices (below)



Chicago photographs on these pages from Kaufmann-Fabry

The business thermometer:

Manufacturers and wholesalers sales and collections show rise over year ago in February, 1937

C Total net sales and collections on accounts receivable showed substantial improvement during February 1937 for the group of MANUFACTURERS reporting in the monthly joint study of the National Association of Credit Men and the Bureau of Foreign and Domestic Commerce, Department of Commerce. This is a continuation of the gains in sales and higher rates of collections recorded for each month since January 1936 when compared with the same month in the previous year by this group of manufacturers.

The total net sales of the 557 manufacturers throughout the country reporting in February 1937 registered an increase of 25 per cent from February 1936. Without adjustment for seasonal influences, February 1937 sales registered an increase of 2.4 per cent from January of this year.

Total sales increased in February 1937 over the same month last year for all of the 15 industry groups shown in the report. The increases ranged from 4.1 per cent for printing and publishing to 65.3 per cent for non-ferrous metals and their products. The increases in February 1937 sales over February 1936 for forest products; stone, clay and glass products; motor-vehicle parts, and iron and steel and their products also were high, the increases exceeding 50 per cent.

Percentages of collections on accounts receivable submitted by 501 manufacturers were higher for February 1937 than for February a year ago but under January this year. During February this year the manufacturers reporting collected 75 per cent of their accounts receivable outstanding on the first of that month as compared with 76.5 per cent collected during January and 74 per cent collected during February of last year.

Eleven of the 15 industry groups shown reported a higher average collection percentage for February 1937 than for February 1936. The leather

and its products group registered the greatest relative increase in collections over this period.

The highest collection percentages were reported by the meat packing industry, the figures for each of the three months covered exceeding 100 per cent, indicating that customers of these firms took less than 30 days on the average to pay for their purchases. The percentage of 161.3 for February 1937 indicates that the accounts owing to these firms on February 1 were paid on an average of 18.6 days.

Value of wholesale trade increased substantially in February 1937 from February 1936 and collections on accounts receivable were made at a higher rate over this period, according to reports of WHOLESALERS in the monthly joint study of the National Association of Credit Men and the Bureau of Foreign and Domestic Commerce, Department of Commerce.

Total net sales of 1100 reporting wholesalers increased 16.6 per cent in February 1937 from February 1936, a continuation of a change recorded for every month since the beginning of the study in January 1936. Without adjustment for seasonal influences, February 1937 sales registered a decrease of about 3 per cent from January of this year.

All of the wholesale trade groups shown in this report excepting farm products, metals, and tobacco products had increased sales in February this year over the same month last year with durable and semi-durable goods showing the most favorable improvement and consumption goods the least favorable improvement. The increases ranged from 7.5 per cent for lumber and building material to 60.1 per cent for plumbing and heating equipment and supplies. Electrical goods, jewelry, and machinery wholesalers averaged increases in sales of over 30 per cent. In comparison with January 1937, eleven of the groups showed increases and nine showed de-

creases.

Results presented separately by certain geographical regions indicate that sales in February as compared with February a year ago increased in most all sections of the country for the wholesale trade groups shown. Increases greatly in excess of the average for certain trades were shown in a number of regions, particularly in the East North Central, Middle Atlantic, and South Atlantic States.

Percentages of collections on accounts receivable submitted by 628 wholesalers were higher in February this year than in February last year but under January this year. In February 1937, 71.9 per cent of accounts receivable were collected as compared with 68.2 per cent for February last year and 74 per cent for January this year.

In reflecting the average experience of the reporting establishments the median percentage has been selected as the most suitable average. This method gives equal weight to all firms regardless of the volume of business done and the figure is obtained by arranging the individual collection percentages in order of size and selecting the middle item. This procedure tends to minimize fluctuations.

Fifteen of the 19 wholesale groups reporting showed a higher average collection percentage for February 1937 than for February 1936. The greatest relative increase in collections from a year ago was registered by wholesalers of paints and varnishes.

The highest collection percentages were shown by the meats and meat products group, the median collection figures being 122.1 per cent for February and 116.7 per cent for January of this year and 119.6 for February of last year. These percentages indicate that customers of these firms took less than thirty days on the average to pay for their purchases.

Detailed figures are presented in the following tables and chart:

Sales and collections on accounts receivable of reporting WHOLESALE in 20 kinds of business February 1937

Kinds of business	Number of firms reporting sales	Sales reported					Number of firms reporting collections	Percent* of collections during month to accounts receivable at beginning of month		
		Feb. 1937 percent-age change from:		Thousands of dollars				Median percentages		
		Feb. 1936	Jan. 1937	Feb. 1937	Feb. 1936	Jan. 1937		Feb. 1937	Feb. 1936	Jan. 1937
		Feb. 1936	Jan. 1937	Feb. 1937	Feb. 1936	Jan. 1937		Feb. 1937	Feb. 1936	Jan. 1937
Automotive supplies.....	54	+13.6	+ 2.7	1,272	1,120	1,239	28	57.1	55.1	60.5
Clothing and furnishings, except shoes.....	17	+13.4	+106.3	1,475	1,301	715	9	53.4	48.0	60.0
Shoes and other footwear.....	39	+28.2	-22.5	13,585	10,593	17,526	10	33.2	31.9	36.1
Coal**.....	—	—	—	—	—	—	—	—	—	—
Drugs and drug sundries.....	130	+ 9.1	- 5.7	18,023	16,526	19,112	77	74.5	67.2	76.6
Dry goods.....	81	+20.2	- 1.4	11,819	9,836	11,986	27	40.1	42.5	45.3
Electrical goods.....	82	+35.3	+17.9	7,950	5,875	6,745	22	78.2	78.0	76.9
Farm products (consumer goods).....	24	-16.6	- 6.1	2,622	3,143	2,793	24	105.9	96.5	104.0
Furniture and house furnishings.....	30	+29.0	+12.7	1,830	1,419	1,624	12	44.5	42.3	44.6
Groceries and foods, except farm products.....	263	+ 7.8	- 1.8	31,361	29,086	31,942	192	93.9	89.9	96.9
Meats and meat products.....	19	+15.0	-13.9	7,995	6,953	9,289	17	122.1	119.6	116.7
Hardware.....	121	+24.4	- 1.9	13,379	10,751	13,642	42	50.4	47.5	52.1
Jewelry and optical goods.....	14	+44.7	+35.8	508	351	374	—	—	—	—
Lumber and building material.....	16	+ 7.5	+ 4.0	774	720	744	16	60.3	53.7	55.8
Machinery, equipment and supplies, except electrical.....	24	+33.5	+ 4.5	2,473	1,853	2,366	22	65.5	67.0	61.5
Metals.....	10	- 2.8	+ 3.0	452	465	439	9	60.0	55.0	68.0
Paints and varnishes.....	8	+22.5	+ 3.5	1,242	1,014	1,200	7	44.4	36.0	46.5
Paper and its products.....	62	+23.6	- 2.2	3,639	2,943	3,720	34	71.4	67.3	74.9
Petroleum and its products**.....	—	—	—	—	—	—	—	—	—	—
Plumbing and heating equipment and supplies.....	62	+60.1	+12.4	2,453	1,533	2,183	34	62.9	55.7	59.5
Tobacco and its products.....	9	-12.0	- 1.6	846	961	860	9	103.0	103.0	102.0
Miscellaneous, total.....	35	+26.0	+12.5	5,884	4,670	5,229	37	55.0	55.0	57.5
Leather and shoe findings.....	9	+77.4	- 9.1	220	124	242	8	40.0	28.0	40.0
Beer, wine and spirituous liquors**.....	—	—	—	—	—	—	—	—	—	—
Total.....	1100	+16.6	- 3.1	129,582	111,112	133,725	628	71.9	68.2	74.0

*These figures should not be related to sales figures for current month. They represent only ratio of collections during that month to accounts receivable at beginning of month. The wide differences existing between the percentages for various kinds of business are due principally to variations in terms of sales.

**Insufficient number of reports at present to show results separately; figures now included with Miscellaneous.

Sales and collections on accounts receivable of reporting MANUFACTURERS in 15 industries February 1937

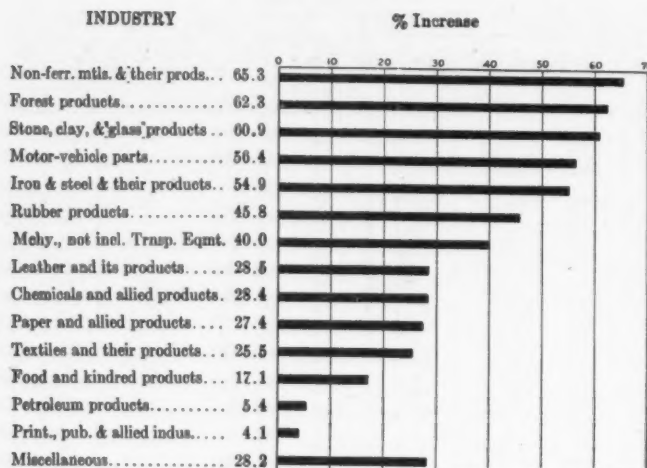
Industry	Number of firms reporting sales	Sales reported					Number of firms reporting collections	Percent* of collections during month to accounts receivable at beginning of month		
		Feb. 1937 percent- age change from:		Thousands of dollars				Median percentages		
		Feb.	Jan.	Feb.	Feb.	Jan.				
		1936	1937	1937	1936	1937		Feb. 1937	Feb. 1936	Jan. 1937
Food and kindred products, total.....	131	+17.1	- 4.4	24,894	21,259	26,039	99	109.0	107.0	108.0
Confectionery.....	43	+14.8	- 5.1	3,570	3,109	3,760	11	109.0	101.0	107.0
Flour, cereals and other grain mill products.....	17	+16.6	-13.9	7,021	6,024	8,154	17	115.0	109.0	119.0
Meat packing.....	17	+ 7.5	+ 2.2	4,682	4,354	4,671	17	161.3	166.0	164.0
Textiles and their products, total.....	73	+25.5	+17.7	15,183	12,101	12,901	71	59.9	58.9	66.0
Clothing, men's, except hats.....	21	+ 4.8	+32.6	3,039	2,899	2,292	20	44.4	49.1	52.7
Clothing, women's, except millinery.....	15	+16.8	+42.7	1,520	1,301	1,065	15	65.2	60.9	72.6
Knit goods.....	12	+28.0	+42.8	1,831	1,431	1,282	13	57.0	57.1	74.0
Forest products, total.....	30	+62.3	+17.2	2,203	1,357	1,880	29	56.9	54.5	56.8
Furniture.....	21	+52.2	+20.2	1,644	1,080	1,368	21	50.0	52.8	51.8
Lumber, timber and other miscellaneous forest products.....	9	+101.8	+ 9.2	559	277	512	8	60.6	59.0	60.5
Paper and allied products, total.....	58	+27.4	- 3.9	10,057	7,895	10,463	50	80.7	77.0	83.5
Paper, writing, book, etc.....	10	+22.5	- 1.1	2,986	2,437	3,018	10	88.9	93.0	92.8
Paper boxes and other paper products.....	27	+25.4	+ 4.5	5,027	4,009	4,812	24	92.6	90.7	90.2
Wall paper.....	21	+41.1	-22.4	2,044	1,449	2,633	16	37.0	24.1	43.8
Printing, publishing and allied industries.....	9	+ 4.1	-15.1	331	318	390	9	68.0	64.0	71.0
Chemicals and allied products, total.....	39	+28.4	+ 2.7	10,774	8,884	10,491	35	62.7	58.8	64.3
Paints and varnishes.....	21	+40.7	+ 3.7	3,658	2,600	3,797	18	62.7	38.4	46.0
Pharmaceuticals and proprietary medicines.....	11	+13.4	+ 5.8	3,213	2,834	3,038	10	38.3	59.1	68.1
Petroleum products.....	15	+ 5.4	- 1.8	53,023	50,322	54,004	12	76.7	82.0	78.9
Rubber products.....	9	+45.8	- 8.9	2,231	1,530	2,450	9	74.9	74.0	72.4
Leather and its products, total.....	28	+28.5	+12.9	9,731	7,570	8,620	25	60.0	50.0	67.0
Boots and shoes.....	19	+28.6	+21.4	7,788	6,057	6,413	17	41.6	38.5	43.5
Stone, clay and glass products.....	17	+60.9	+15.8	6,390	3,971	5,519	22	70.1	72.5	76.6
Cement**.....	—	—	—	—	—	—	—	—	—	—
Iron and steel and their products, total.....	46	+54.9	- 8.8	15,939	10,291	16,060	45	82.0	81.0	82.0
Hardware.....	9	+56.1	- 4.6	2,641	1,692	2,768	10	81.7	81.0	86.8
Stoves, ranges, and steam heating apparatus**.....	—	—	—	—	—	—	—	—	—	—
Other iron and steel products.....	37	+54.6	0.0	13,298	8,599	13,292	35	82.0	80.0	79.8
Non-ferrous metals and their products.....	11	+65.3	+13.0	3,292	1,992	2,913	11	64.7	60.0	70.9
Machinery, not including transportation equipment, total.....	45	+40.0	+ 5.0	29,852	21,320	28,438	41	75.9	70.0	78.0
Electrical machinery, apparatus and supplies.....	18	+40.7	+ 3.9	21,177	15,055	20,379	17	82.0	78.0	80.3
Other machinery; foundry products.....	27	+38.5	+ 7.6	8,675	6,265	8,059	24	71.2	55.8	72.8
Motor-vehicle parts.....	14	+56.4	- 1.0	6,609	4,225	6,674	11	84.6	88.5	88.5
Miscellaneous industries.....	32	+28.2	+17.0	5,907	4,608	5,047	32	62.3	65.0	68.0
Total.....	557	+25.0	+ 2.4	196,416	157,143	191,889	501	75.0	74.0	76.6

*These figures should not be related to sales figures for current month. They represent only ratio of collections during that month to accounts receivable at beginning of month.

**Insufficient number of reports at present to show results separately; figures now included with industry group total.

PERCENTAGE OF INCREASE IN SALES OF 557 MANUFACTURERS
IN 15 INDUSTRIES

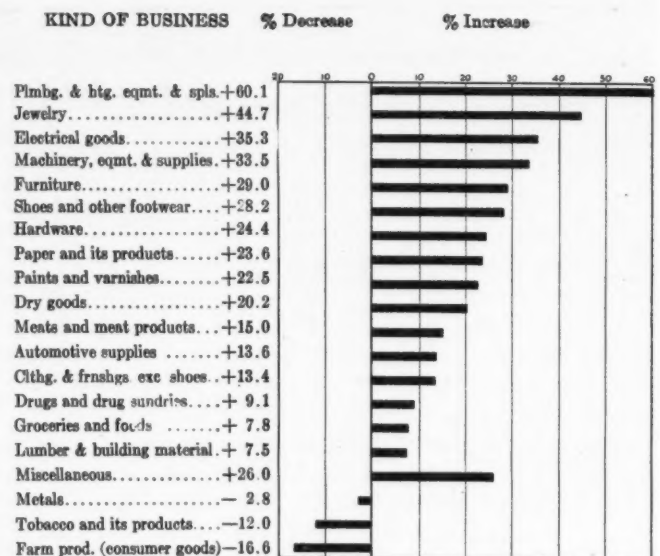
FEBRUARY 1937 COMPARED WITH FEBRUARY 1936



Source: Marketing Research Division, Bureau of Foreign and Domestic Commerce

PERCENTAGE OF CHANGE IN SALES OF 1100 WHOLESALERS IN
20 KINDS OF BUSINESS

FEBRUARY 1937 COMPARED WITH FEBRUARY 1936



Sales and collections on accounts receivable of reporting WHOLE-
SALEERS in 9 kinds of business, by geographic regions February 1937

(Results shown only for those trades having a sufficient number of reports for one or more regions*)

Kind of business and region	Number of firms reporting sales	Sales reported					Number of firms reporting collections	Percent* of collections during month to accounts receivable at beginning of month		
		Feb. 1937 percentage change from:		Thousands of dollars				Median percentages		
		Feb. 1936	Jan. 1937	Feb. 1937	Feb. 1936	Jan. 1937		Feb. 1937	Feb. 1936	Jan. 1937
Automotive supplies, total	54	+13.6	+ 2.7	1,272	1,120	1,239	28	57.1	55.1	60.5
Pacific	29	+10.0	+ 3.0	518	471	503	—	—	—	—
Shoes and other footwear, total	39	+28.2	—22.5	13,585	10,593	17,526	10	33.2	31.9	36.1
Middle Atlantic	12	+39.1	+13.8	1,540	1,107	1,353	—	—	—	—
West North Central	7	+31.7	—31.1	9,682	7,354	14,054	—	—	—	—
Drugs and drug sundries, total	130	+ 9.1	— 5.7	18,023	16,526	19,112	77	74.5	67.2	76.6
Middle Atlantic	17	+ 3.0	—11.6	2,999	2,912	3,394	13	74.0	68.3	76.6
East North Central	24	+18.6	— 5.6	3,133	2,641	3,319	14	87.5	86.4	88.5
West North Central	15	+ 6.0	—13.0	2,024	1,910	2,327	—	—	—	—
South Atlantic	21	+15.2	+ 6	1,872	1,625	1,860	16	83.0	77.8	75.0
East South Central	9	+19.5	+15.8	1,315	1,100	1,136	—	—	—	—
West South Central	22	+ 5.2	— 5.3	2,516	2,392	2,657	10	74.3	73.5	73.0
Pacific	11	+ 5.9	— 5.9	2,761	2,606	2,934	—	—	—	—
Dry goods, total	81	+20.2	— 1.4	11,819	9,836	11,986	27	40.1	42.5	45.3
Middle Atlantic	18	+25.8	+ 3.1	2,052	1,631	1,990	—	—	—	—
East North Central	9	+23.4	— 1.4	1,014	822	1,028	—	—	—	—
South Atlantic	10	+ 8.0	—14.7	972	900	1,139	—	—	—	—
West South Central	12	+ 5.6	— 1.1	1,404	1,330	1,419	—	—	—	—
Pacific	11	+10.2	— 4.4	635	576	664	—	—	—	—
Electrical goods, total	82	+35.3	+17.9	7,950	5,875	6,745	22	78.2	78.0	76.9
Middle Atlantic	9	+84.4	+31.2	1,103	598	841	—	—	—	—
East North Central	40	+34.9	+30.1	3,267	2,421	2,512	—	—	—	—
Pacific	18	+19.5	+ 3.6	2,246	1,879	2,168	—	—	—	—
Groceries and foods, total	263	+ 7.8	— 1.8	31,361	29,086	31,942	192	93.9	89.9	96.9
Middle Atlantic	38	+ 1.6	— 5.1	6,959	7,069	7,333	41	81.0	80.7	87.3
East North Central	58	+ 6.5	— 2.6	7,343	6,896	7,541	47	90.2	81.0	89.1
West North Central	42	+ 4.2	— 6.3	3,850	3,694	4,108	25	100.0	93.0	97.0
South Atlantic	22	+10.5	— 5.8	1,345	1,217	1,428	16	98.1	91.7	103.3
East South Central	10	— 9.3	—16.1	402	443	479	—	—	—	—
West South Central	22	+10.9	+ 7	2,720	2,453	2,702	20	99.8	90.0	96.8
Pacific	39	+22.3	+ 8.3	7,213	5,899	6,660	28	108.3	104.2	109.0
Hardware, total	121	+24.4	— 1.9	13,379	10,761	13,642	42	50.4	47.5	52.1
Middle Atlantic	25	+20.8	— 6.7	1,256	1,040	1,346	—	—	—	—
East North Central	23	+28.7	— 5	3,249	2,525	3,264	10	47.8	40.8	55.6
West North Central	19	+31.3	+10.5	2,224	1,694	2,013	—	—	—	—
South Atlantic	14	+26.8	—19.4	772	609	958	13	40.0	30.8	47.1
West South Central	14	+14.9	— 1	896	780	897	—	—	—	—
Pacific	13	+13.5	— 4.5	3,764	3,317	3,943	—	—	—	—
Paper and its products, total	62	+23.6	— 2.2	3,639	2,943	3,720	34	71.4	67.3	74.9
Middle Atlantic	20	+18.7	— 4.5	1,074	905	1,136	—	—	—	—
East North Central	13	+33.1	+ 5.1	1,501	1,125	1,428	13	74.5	63.0	77.4
Pacific	10	+16.3	— 7.6	292	251	316	—	—	—	—
Plumbing and heating equipment and supplies, total	62	+60.1	+12.4	2,453	1,532	2,183	34	62.9	55.7	59.5
Middle Atlantic	25	+57.9	+24.6	815	515	654	10	57.9	40.3	47.9
South Atlantic	14	+40.5	+ 6.3	406	289	382	—	—	—	—
Pacific	9	+69.5	+30.8	539	318	412	8	66.3	62.0	70.5

*States comprising regions: New England (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont)

Middle Atlantic (New Jersey, New York, Pennsylvania)

East North Central (Illinois, Indiana, Michigan, Ohio, Wisconsin)

West North Central (Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota)

South Atlantic (Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia)

East South Central (Alabama, Kentucky, Mississippi, Tennessee)

West South Central (Arkansas, Louisiana, Oklahoma, Texas)

Mountain (Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming)

Pacific (California, Oregon, Washington)

Burroughs

4
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1
WRITING

COMPLETE SOCIAL SECURITY RECORDS AT A LOW COST

To meet today's payroll accounting needs with a minimum of work and at low cost, Burroughs provides new machines, new features, new developments for writing the records described at the right. Concerns—large and small—in all lines of business—are benefiting by the speed, ease and economy with which one or several of these new Burroughs machines completely handle all payroll records. Investigate. For quick action, telephone your local Burroughs office or, if more convenient, mail the coupon or wire direct today.

1

THE PAYROLL

Complete payroll and check register in one unit shows the gross pay, all deductions, and net pay for all employees. Separate totals for all columns accumulate automatically.

2

EARNINGS RECORD

Complete individual progressive record for each employee shows time worked, gross earnings, deductions, and net pay for any and all periods. Provides information needed for old age benefits, unemployment insurance, and income tax reports.

3

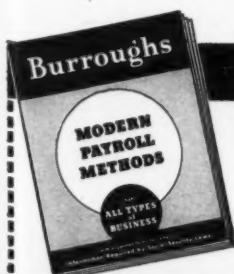
EMPLOYEE'S STATEMENT

This receipt for deductions, which the law requires be given to each employee at each pay period, also shows the individual's gross earnings, all deductions, and net pay. It can be retained permanently by the employee.

4

PAY CHECK or pay envelope

Since the check or pay envelope is written with the above three records, the amount is in perfect accord with these records.



SEND FOR THIS NEW PAYROLL FOLDER!

BURROUGHS ADDING MACHINE COMPANY, 6054 SECOND BLVD., DETROIT, MICH.
Send me the new folder "Modern Payroll Methods"—which includes illustrations of forms for compiling figures required by the Federal Social Security Act.

Name _____ Type of Business _____

Address _____

When writing to advertisers please mention Credit & Financial Management

Earned credit limits for past-due accounts

OF One of the most interesting as well as beneficial phases of the credit man's work is the diligent study of the trend of accounts receivable accounts. Particular efforts along such lines should develop a better understanding of the customer's purchasing and paying habits. Marked observation is of increasing value as time progresses, and knowledge thus obtained can be used as a means of setting just credit limits.

For the guidance of salesmen that solicit the business of those buyers, whose sole purpose seems to be that of purchasing more than necessary with as little money as possible, stopping points must be set. The better to lead up to our method of setting credit limits, let me give you some of the various stages in which we find some of our accounts.

The first pause or hitch is that reached when an account becomes over thirty days old, or the total involved is deemed hazardous because financial resources are insufficient to warrant further grants. The stipulation in order then for those past due accounts is that from month to month it will be necessary for them to remit *at least* the amount of their last monthly purchases. A fair-minded debtor usually agrees to such an arrangement without any serious objection.

Once this agreement is broken, the edict then becomes: "The amounts paid to apply on the old balance will determine the size of the order shipped." Anticipation of larger purchases requires larger settlements. This is termed the second stage.

Putting an account on a C.O.C. basis may be considered the third and

last step, unless legal proceeding is in order.

If under such surveillance, dictation, superintendence, or treatment (call it what you wish), the customer is able to keep up a worthwhile monthly purchase, the average thus set can be used as a figure for gauging his "earned credit limit." Therefore the ability of the client to increase his purchases and still keep "within the law" will obtain for him the right to have his earned credit limit raised. In the meantime everything possible is done to bring the account down to where it will be no more than the actual earned limit.

An explanation of this plan to the patient appeals to his sense of justice (and sometimes pride) and has resulted in the increase of business from some of those accounts who otherwise were prone to distribute their favors. The eagerness to promote a better credit limit has in some cases caused the volume to become large enough to warrant the profitable carrying of almost the original amounts involved.

Our business is mainly that of supplying the shoe repair and shoe store trade with supplies. The shoe repair trade is the largest end of our business. The word findings includes in its meaning "anything pertaining to shoes." This takes in such items as the sole, the upper, insoles, counters, eyelets, laces, wax, thread, cement, welting and nails, etc. In fact, almost anything that goes into or that is needed to make up a shoe.

The shoe repairers often own no machinery of their own, what they have is leased in many cases and therefore credit risks are mainly moral ones—as their exemption usually is enough

to allow them to retain whatever they may possess in case of suit.

We cover the State of Indiana mainly, and its borders, but we penetrate Illinois to some towns approximately 240 miles from Indianapolis. Our salesmen call on their customers every four weeks. There are no exceptions to their routine. If anyone is sick, we send a substitute. Our trade knows just when to expect our men almost to the hour.

Calling every four weeks means that we call oftener than once a month; in fact, thirteen times a year. Our customers pay only once every four weeks but really pay for their merchandise in *less* than four weeks time because there is a two or three day lapse of time between the time our men calls and the time that the goods reach their destinations. We therefore disregard the calendar month and base the purchases of our trade as to the periods between the calls made by our men.

Our salesmen do all of our collecting as well as selling. Our statements are made up in two parts. (See Form 14-2 herewith) The upper half is for the customer; the lower is for the use of our salesmen. This lower half is very important as it is used in the guidance of our salesmen. It must give the salesman the status of the account at a glance and then his talk and sales can be made and governed accordingly.

Every Friday our statements are made up for the customers upon whom the salesmen will call during the following week. Each salesman's trip is separate and arranged alphabetically as to the name of the towns he is making. Our credit man has a loose leaf book which is similarly arranged and is split

STATEMENT OF YOUR ACCOUNT WITH
NUTZ & GROSSKOPF, INC.

A COPY OF OUR LEDGER

Snibber Hose Co.

DATE **Aug. 1, 1936**

DEBITS		CREDITS		BALANCE
Balance	75.15			
July 15	20.00	July 14	30.00	65.15
\$15.00 PAYMENT ON CONTRACT DUE				

NAME **Snibber Hose Co.**

DATE

CITY

TOTAL **65.15**

SETTLEMENTS	REMITTANCE	EXPLANATION	COVERING INVOICE		PAST DUE
AMOUNT REC'D IN CASH			MONTH DAY	AMOUNTS	45.15
AMOUNT REC'D IN CHECKS					TOTAL LAST PURCHASES
TOTAL RECEIVED					20.00
DISCOUNT					DELINQUENT LAST MONTH
TOTAL CREDIT					5.00
AMT. ON MDSE.					SUGGESTED PAYMENT
DISCOUNT			EARNED CRED. LIMIT	30.00	30.00
TOTAL MDSE. CREDIT			BALANCE	1/35	275.75
TOTAL ON CONTRACT			BALANCE	12/35	88.01
ADJUSTMENTS*			INCREASE SINCE	1/36	48.01

The statement (above) and (below) as returned by the salesman.

NAME Snibber Hose Co.			DATE 8/5/36		
CITY			TOTAL 65.15		
SETTLEMENTS	REMITTANCE	EXPLANATION	COVERING INVOICE		PAST DUE
AMOUNT REC'D IN CASH	20 00		MONTH DAY	AMOUNTS	45.15
AMOUNT REC'D IN CHECKS	20 12				TOTAL LAST PURCHASES
TOTAL RECEIVED			40 12		20.00
DISCOUNT		—			DELINQUENT LAST MONTH
TOTAL CREDIT		40 12			5.00
AMT. ON MDSE.	25 12				SUGGESTED PAYMENT
DISCOUNT	—		EARNED CRED. LIMIT	30.00	30.00
TOTAL MDSE. CREDIT			25 12	BALANCE	1/35
TOTAL ON CONTRACT		15 00	BALANCE	12/35	86.01
ADJUSTMENTS*			INCREASE SINCE	1/36	48.01



What are you doing to protect your company against financial loss due to damage and destruction of your plant or other property by riots and civil commotion attending a possible strike?

The Northern Assurance Agent in your town is qualified to give you expert advice on this important form of insurance. If you do not know the location of the Northern Agent in your city, write us for his name and address.



NORTHERN
ASSURANCE CO., LTD.

80 John St., New York
Chicago San Francisco



FIRE
INSURANCE
AND
ALLIED LINES

EST. 1836

Ask anywhere in the World what reputation the Northern of London bears.

When writing to advertisers please mention Credit & Financial Management

up in sections, one for each man and these sections are split up according to the trips he makes. When our credit man receives the statements, he opens his book to the proper section and records the amount of the purchases as well as the amount of the statement and also any past indebtedness that may be standing at the time.

He gets all his information from the statements and seldom has to refer to the ledger as the account has been analyzed and his book gives more information at a glance than the ledger would for this reason. It is then up to

the credit man to make his notations on the statement stubs so that the salesman may know what he is expected to do. These stubs when they come back to the office are used when passing on the O.K. and also for posting. Those that come back with promises instead of funds are used for follow-up work.

The credit man's record has two sets of three columns each. One set is for the old year, and the other for the new. In our copy of the page out of the credit man's book, when 1937 arrived, 1935 records were erased, leaving 1936 information for a guide and history for

basing credit limits. The first column in each set of three is used for the amount of the statement except where there is no past due indebtedness in which case the second column is used. The second column shows the amount of the current purchases and the third column shows how much is past due, if any. The regularity with which a customer buys is seen at a glance. Thus each account has special attention from the angle of sales as well as collection.

Our salesmen now know our stand and attitudes regarding our accounts through the continued use of this system. Where the credit limits are shown and the statement shows a past due amount, if the entire amount of the statement is larger than the credit limit, it immediately puts the salesman on guard. He knows how much we will expect and that if we do not get it, that shipment of more than the amount they collect can not be made and that if no money at all is collected, there will be no use in turning in an order at all.

In setting credit limits, we take financial reports into consideration wherever possible, but when dealing with a service trade where a high percentage of the customers have no assets at all, we have a situation which demands close attention and therefore the risks are largely moral and too often credit is granted unwisely. We take the total of the previous year's business for determining credit limits and divide the total by 12. This gives us a working basis. In some cases we double this amount for setting the customer's earned credit limit, and never more than that except where there are assets. We feel this ought to give the customer an ample working margin.

However, Credit Interchange reports are a big help in guiding the credit man. When these reports show certain paying habits which are not proper, and we find our customer running true to form, it doubles our attention given that account. In the final analysis, good judgment after all of the facts possible are obtained and all the phases of the accounts receivable accounts are studied for the purpose of setting credit limits must be used and this cannot be supplanted by any set rule. The moral risk is still one of the largest factors in credit accommodations allowed today.

He has a RIGHT TO FEEL SECURE

You, too, can feel secure against the hazards that threaten your property if your protection is in a Fireman's Fund Company. Assets 39 millions... policyholders' surplus 23 millions... 73 years without a default... these and other factors of strength, permanence and stability make every premium you pay Fireman's Fund an investment in certainty. Over 11,000 Agents.



*His
insurance is
in a company
of the*

FIREMAN'S FUND GROUP

*Fireman's Fund Insurance Company - Occidental Insurance Company
Home Fire & Marine Insurance Company
Fireman's Fund Indemnity Company - Occidental Indemnity Company*

New York • Chicago • SAN FRANCISCO • Boston • Atlanta

Fire • Automobile • Marine • Casualty • Fidelity • Surety

DEPENDABLE INSURANCE SINCE 1863

Go—Chica—Go

June 21-24

42nd Annual Convention

When writing to advertisers please mention Credit & Financial Management

A Friend-to-Friend Tip on Financing

"How're things, Ed? Making money these days?"

"We're doing a nice business and making some money. But we could do 25% more volume, and make more money, if we had additional resources."

"There's an easy way to lick that problem. I was up against the same thing until I started selling my open accounts receivable to Commercial Credit Company. No money troubles for me now."

"I've heard about that plan, but I always thought there was a catch in it somewhere. Don't your suppliers' credit men, or your bank object to it?"



"Object? No, not when they understand the plan and its advantages. The quick cash lets me take cash discounts on my purchases. My credit is A-1 now. I can buy everything I need and at lower prices."

"And that's only part of it. My bank balance averages much higher and my account is more desirable. My sales are up; I can operate to the limit of production now because as fast as I ship an order, I get my money."



"How about your customers, Dick, don't they mind having outsiders butting in on their deals and dunning them for payment if they get a little behind?"

"Nobody butts in. My trade doesn't even know about the arrangement. They get their regular terms, sometimes better terms than before. I collect their accounts as usual and forward the collections to Commercial Credit Company. Why don't you try it, Ed? It's just the kind of help you need now."

COMMERCIAL CREDIT COMPANY'S Accounts Receivable Financing Plan is ideally suited to the needs of manufacturers and wholesalers engaged in a normally active and potentially profitable business but hampered and restricted

from expansion by lack of liquid capital. It is a legitimate, helpful banking service, flexible, devoid of red tape and available for temporary requirements or year-round use. All correspondence or consultation confidential. Write us:

COMMERCIAL CREDIT COMPANY

NEW YORK, N. Y.

CHICAGO, ILL.

BALTIMORE

PORTLAND, ORE.

SAN FRANCISCO, CAL.

When writing to advertisers please mention Credit & Financial Management

This month's collectors:

Submitted for the approval of our readers

by E. L. SHERK, Kalamazoo Vegetable Parchment Co.,
Kalamazoo, Mich.

Dear Mr. Jones:

I BELIEVE THAT YOU WILL AGREE WITH US,

—that we have been especially lenient with you on your overdue account amounting to

\$—,

—that it is now distinctly past due,

—that it should be paid immediately, and

—that if you are unable to pay, we are entitled to at least an explanation of the cause of the delay.

You'll find us always ready and willing to cooperate in any reasonable way.

Need we say more? We're expecting to hear from you by — at the latest.

Very truly yours,

by R. G. ALLISON, J. H. Allison & Co.,
Chattanooga, Tenn.

Dear Sir:

YOUR ACCOUNT \$50.00

P stands for PAY

A stands for AMOUNT

S stands for STATED

T stands for TO-DAY

D stands for DELAY

U stands for USUALLY

E stands for EMBARRASSES

In as much as your account is P-A-S-T D-U-E, we must ask that you PAY AMOUNT STATED TO-DAY—DELAY USUALLY EMBARRASSES.

Yours very truly,

"Because it produces good results for us, we are submitting the collection letter attached," Mr. Sherk writes us.

This is one of two letters used to follow a series of three or four printed collection notices. Thus the accounts at which they were aimed were from forty to fifty-five days past due when the first letter was mailed. The second letter, reproduced herewith, followed ten days later.

"The tone permits use on a wide variety of accounts," he says. "Nevertheless, we make sure that a Credit Interchange Report is in our files before sending such a general letter, and if the report indicates that more vigorous action is necessary the usual routine is set aside in favor of personally dictated letters."

A great deal of collection letter-

writing, however, can be obviated if proper care is taken in analysis of the credit responsibility of the buyer. The most fundamental, up-to-date method ever devised for knowing just how worthy your credit applicant is as a risk has achieved foremost standing because it is based on the current paying record. There is no substitute for Credit Interchange Reports.

[[WHATEVER IT IS — WHEREVER IT IS — INSURE IT IN THE HARTFORD. FOR NEAREST AGENT PHONE WESTERN UNION]]

**Bonding used to be
a Chinese puzzle
to me**



**But not since we
bought the single
Blanket Bond of the
HARTFORD***



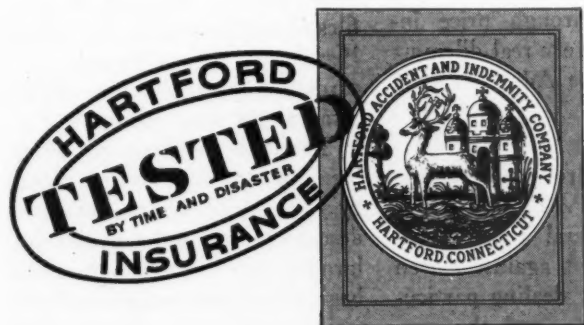
"Trying to decide which of our employees should be bonded, and for what amount, used to be one of the most troublesome things I had to do. Yes, a Chinese puzzle.

"Then an agent of the Hartford Accident

and Indemnity showed me how to avoid this, with a Blanket Bond. We bond *all* the employees and enjoy complete protection against the dishonesty of any one of them.

"Even changes in our personnel or in the duties of any individual do not affect this coverage. We don't even notify Hartford of such changes. Simplicity itself!

"A plan like this strikes me as being modern and logical. We have Hartford Fire Insurance covering our *whole* plant because we have no way of knowing in what part a fire may break out. Just so, our Hartford Fidelity Bond covers our *whole* personnel, because we don't know who may prove dishonest."



**HARTFORD FIRE INSURANCE COMPANY
* HARTFORD ACCIDENT AND INDEMNITY CO.
HARTFORD, CONN.**

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CAPITAL LETTERS



Being a monthly letter about items of special interest to you as a credit executive, from the nation's capital, by the Manager of the N. A. C. M.'s Washington Service Bureau.

Dear Reader:

You will find it both interesting and important to follow carefully the comments, from official and private quarters, regarding **INFLATIONARY TRENDS**. It is no secret that concern is felt in many governmental quarters about the upward climb of prices and the growth of speculative activity. An interesting aspect of this situation is the opportunity to observe again the somewhat divergent aims of the two principal monetary agencies of the government.

The Treasury Department naturally favors an easy money policy to support the government bond market and to facilitate the refunding of old issues and the flotation of new issues—in other words its program of deficit financing. The Federal Reserve Board is still officially committed to an easy money policy on the grounds that it

is essential to continued business improvement but is known to be concerned over the danger of an accelerated inflationary trend.

No more significant expression of the complications of the situation is available than the recent statement of Federal Reserve Governor Eccles, who attributed the inflationary trend largely to "non-monetary factors, including foreign armament demands, strikes and monopolistic practices by certain groups both in industry and organized labor". It is interesting that this statement was tied in with an expression of the need for a balanced Federal budget and additional governmental income.

Critics of the statement hastened to point out that it did not contain definite evidence that a moderate increase in money rates would not be less restrictive of industrial expansion than increased taxes; and also pointed out that the statement did not refer to the extent to which easy money is responsible for commodity speculation resulting in high commodity prices.

Mr. Eccles' statement is generally interpreted in Washington not only as an answer to those who have advocated a tighter money policy on the part of the Board, but also as a warning to Labor and Capital that both groups should be aware of their responsibility to avoid any actions which might react to the detriment of consumers and accentuate an inflationary price movement. No responsible government official, however, has ventured to suggest a program which the government might adopt to further its easy money policy, encourage the organization of labor and collective bargaining activities, and, at the same time restrain the tendency of industry to pass on additional labor costs through price increases. That is the very real dilemma which is troubling the Administration today.

Violation of the Brokerage Section of the **ROBINSON-PATMAN ACT** is alleged by the Federal Trade Commission in a complaint against eleven chains of retail stores, dealing particularly in food products, and the purchasing organization for those stores which is located in New York City.

The complaint charges that the New York corporation acts as purchasing agents exclusively for the chains mentioned in the complaint and, in the

course of its buying transactions allegedly collects and receives from the selling firms brokerage fees or commissions, ranging from 1 to 10% of the quoted sale price which it passes over to the respondent chain companies.

Such transactions, the complaint charges, violate the brokerage provisions of the **ROBINSON-PATMAN ACT** in that the fees referred to are not received by the purchasing organization as payment for any services it rendered to the sellers of the merchandise but, on the contrary, are accepted for the benefit of the respondent chain groups and for the purpose of being paid over to them. It is further alleged in the complaint that the fees are not transmitted to the chains for any services they render to their purchasing agent in connection with the purchases made for them nor do the chains render any services to the selling concerns.

An **ANALYSIS OF STATE UNEMPLOYMENT LAWS** which have been approved by the **SOCIAL SECURITY BOARD** has just been approved by that agency. The analysis contains the essential features of the laws in thirty-six states which had been approved up to the date of publication. It should be of considerable value to all firms which are concerned with meeting the requirements of Unemployment Laws in different states. Copies may be obtained by writing to the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C.,—Price 15c.

The **SOCIAL SECURITY BOARD** has just announced that 25,000,000 salaried and wage-earning persons have been officially entered in the files of the Bureau of Federal-Old Age Benefits. An additional 1,000,000 cards are expected to be added to this total in the near future.

The full implications of the tremendous job of recording these persons by the routine system which has been described as the "world's oldest and largest recording operation" are just beginning to be appreciated. The system will not only produce a tremendous volume of statistics but will provide a continuous record of the occupational activities of the largest body of human beings ever so recorded in the history of the world. The account number of a worker who is registered in the

Social Security Board will, so long as the individual lives and the system is maintained, be an "Open Sesame" to a life record showing the location of the worker, the occupations in which he engaged, his wages and other details. Truly, the work of the Social Security Board will have a romantic as well as a prosaic side.


The Secretary of the Treasury has issued a warning to employers against the practice of adding an item of 2% to their bills and invoices and listing such items as a Social Security Tax. The Secretary has pointed out that such a tax on the sale price of an article would be greatly in excess of the amount of taxes imposed under the Social Security Act. The Bureau of Internal Revenue announced that persons engaged in this practice would be subject to prosecution under the provisions of Section 1123 of the Revenue Act of 1926 relating to frauds on purchasers.

Authority to extend the time for filing returns under *TITLE III OF THE REVENUE ACT OF 1936* (the WINDFALL TAX) for the calendar year 1935 and any fiscal year ending on or before August 31, 1936, has been granted to the Commissioner of Internal Revenue by a joint resolution passed by Congress on March 13th. Under the resolution the Commissioner is authorized to "grant additional reasonable extensions of time" for filing such returns.

Yours very truly,
C. F. BALDWIN

F The Smiths once more have proved their numerical leadership by being the most frequent of all the names among the millions of wage earners who will have social security accounts for participation in the Federal old-age benefits program, the Social Security Board has announced. This stresses the importance of assigning a specific number to the account of every worker.

Preliminary estimates, the Board states, indicate that ten names—the Smiths, the Johnsons, the Browns, the Williamses, the Joneses, the Millers, the Davises, the Andersons, the Wilsons, and the Taylors—will constitute more than 1,500,000 of the total number of workers who will participate in the Federal old-age benefits program.



BEHIND THE NAME...

46 years of financial stability, specialized experience and prompt fulfillment of obligations.

FIDELITY AND SURETY BONDS
Burglary, Robbery, Forgery and Glass Insurance

FIDELITY AND DEPOSIT

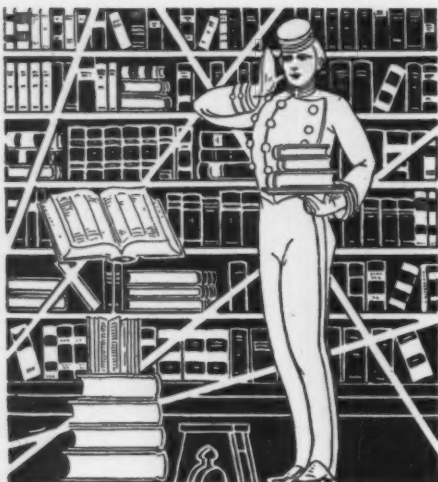
COMPANY OF MARYLAND, BALTIMORE

The Board's Wage Records Office is setting up accounts for approximately 294,000 Smiths, 227,000 Johnsons, and 164,000 Browns. These are followed closely by the Williamses with a total of 156,000; the Joneses, 147,000; the Millers, 137,000; the Davises, 123,000; the Andersons, 115,000; the Wilsons, 96,000; and the Taylors, 81,000.

Estimates of the number of persons with these ten names are based on the assumption that approximately 26,000,000 wage earners would participate in

the old-age benefits program. Employers' application forms for identification number (SS-4), on file with the Board as of January 15, show that the approximate number of persons now in their employ totals 26,024,938.

The Post Office Department's count of the employee applications on file in typing centers as of December 16 was 22,129,617. Since then a large number of additional employee's applications for social security account numbers have been received daily.



Paging



books

Better letters

EFFECTIVE BUSINESS LETTERS. By Virginia Young. Published by the author, 2482 South St. Paul St., Denver, Colorado, \$1.50.

In our November, 1936, issue, we published an article on letter writing by this same author. The same intelligent, common-sense tinged with humor approach is noted in this book on the subject of better business letters, with illustrations, both verbal and pictorial, driving home the author's points.

Miss Young emphasizes the salient necessities if a business letter is to do its job and stresses the human side of correspondence. Some of her points are:

1. Make your letters TALK.
2. Don't "stretch" the truth.
3. Be tactful.
4. Make every letter complete.
5. Don't waste space or time getting to the point.
6. Talk YOU—not me.
7. Keep away from negatives.
8. Stay out of correspondence ruts.

This book can be read with profit not only by letter-writers but also by those who tap the typewriters.

Lo, the poor stockholder

ARE YOU A STOCKHOLDER?

By Alden Winthrop. Covici-Friede, New York, \$2.50.

Corporate reports are not what they should be in many instances, Mr. Winthrop declares in this book. And then he presents an analysis of a number of well-known companies' financial practices which, in his opinion, prove that the stockholder certainly deserves "the forgotten man" appellation.

This is a provocative volume that carries little friendship for big business and many of its financial ways.

Economics simplified

RESTATING ECONOMIC THEORY.

By Charles Crawford. Published by the author at Paola, Kansas, \$1.00.

This is the author's attempt to set forth "some general principles in a way that the wage worker, the farmer and the business man who have not taken an extended course of study in economics may understand." Thereupon he develops a discussion of capitalism, wealth, money, competition, taxes, and business cycles.

Accounting requirements

ACCOUNTANTS' CERTIFICATES. By James H. Wren. The Ronald Press Co., New York, \$4.00.

A selection of 1936 certificates with content coded and indexed for quick reference, this book shows the modern requirements as interpreted by representative accounting firms.

City financing

MUNICIPAL BONDS. By A. M. Hillhouse. Prentice-Hall, Inc., New York, \$5.00.

One hundred years of municipal borrowing and debt administration, with special interest centered on defaults, is contained in this new book. Analysis of past mistakes and methods of avoiding future errors are part of the text.

The author finds, among other things, that:

1. Defaults have occurred on every type of bond.
2. Defaults have not been restrict-

ed to any one section of the U. S.

3. Municipal defaults are recurrent phenomena.

4. Losses to bondholders upon defaulted bonds have been relatively negligible when compared with total amount of bonds outstanding, or with total bonds in default within any given period.

5. "Muddling through," rather than permanent remedial measures, has been the answer generally to municipal default problems.

6. Permanent administrative machinery to cope with municipal defaults has proved its worth.

7. Much of the over-borrowing has been due to use of municipal credit in real-estate speculation and over-development.

Diplomacy

SPAIN: ISSUES BEHIND THE CONFLICT. By C. A. Thomson. 25 cents. Foreign Policy Ass'n., N. Y.

EUROPEAN DIPLOMACY IN THE SPANISH CRISIS. By Vera Micheles Dean. 25 cents. Foreign Policy Ass'n., N. Y. (Published twice a month, this series by the Ass'n sells for \$5.00 a year.)

The much-publicized sale of armaments by Americans to Spain and the haste to prevent this evidenced by Congress immediately after its opening, bring added timeliness to these accounts of the Spanish Civil War and its reverberations.

The English did it first

THE NEW DEAL: ENGLISH AND AMERICAN. By H. J. Whigham. G. P. Putnam's Sons, New York, \$1.00.

Recently there have been many suggestions that we should follow the English method of solving our economic and social problems. With this as his stimulus, Mr. Whigham points out that the main difference between the English and American way is that England did it first—in social security, agriculture, labor, housing, security exchanges, etc. Why? Because, says Mr. Whigham, "there are fewer people in England suffering from political arteriosclerosis than in America."

Wholesaling analyzed

WHOLESALE — PRINCIPLES AND PRACTICE by Theodore N. Beckman and Nathaniel H. Engle. The Ronald Press, N. Y. \$4.00.

This is an important new book covering the many and varied features of this important division of our modern business distribution setup. The text is divided into five parts, the first covering the general history of wholesaling and evolution under business practices in the United States. The second part deals with the wholesaling system as differentiated from retailing and also the selling of manufacturers direct to retail outlets.

Part three takes up the problem of operation and management of a wholesale business, including such important subjects as buying, warehousing, advertising and selling, ordering, handling and credit management, and other scientific management problems. In

Gol Chica—gol

N. A. C. M. 42nd Annual Convention and Seventh Credit Congress
June 21-25

part four the authors deal with special economic aspects of wholesaling, such as pricing policies, cost and profits, and employment and wages in wholesaling. Part five is devoted to a discussion of trends in wholesaling with an interesting chapter dealing with governmental regulation of wholesale dealings.

Dr. Wilford L. White, Chief of the Marketing Research Division of the Bureau of Foreign and Domestic Commerce, Department of Commerce, wrote a very interesting chapter for this book treating with cooperative wholesale distribution and the relation of that movement to other forms of wholesale distribution.

While this book is intended especially for those engaged in wholesaling, the authors offer the hope in their preface that it also would be of interest to every producer with a selling problem and every retailer and industrial consumer with a buying problem. This new book by Dr. Beckman and Mr.



IF YOU COULD FATHOM FACES

If every employer was an unerring judge of faces, there would be less need for protection against the dishonesty of employees.

Trust in others oftentimes leads to misplaced confidence and large losses.

A fidelity bond in the Standard of Detroit protects you against embezzlement . . . acts as an effective deterrent on dishonesty.

Consult your local Standard Representative. He will advise you, without bias, on a proper program of bonds and insurance protection.



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STANDARD ACCIDENT INSURANCE COMPANY

Standard Service Satisfies

Engle was designed especially for a text book on the subject of wholesaling for use in advance courses on marketing. It should also find a place in the business library of executives who make it a point to keep abreast with the latest thoughts of business problems.

Labor laws

The legislative program adopted by

the Third National Conference on Labor Legislation, held in Washington, D. C., November 9-11, included state action on unemployment insurance, on the Federal child-labor amendment, and on minimum wages for women. This conference was called by the Secretary of Labor and was attended by officials of state departments of labor and representatives of organizations of workers and civic, social-welfare and consumer groups.

Age in the Supreme Court

When the Supreme Court was first established in 1789 the average age of its six justices was just under 50 years. It was not until 36 years later in 1825 that the average age of the justices mounted to above 60, but since then it has almost continuously fluctuated in the middle 60's. There were two brief exceptions to this rule, first in the 1830's, and again in 1846, when the average age fell below 60. During this early period in the history of the Court the number of justices was increased from the initial six to seven and then to nine, we learn from an analysis by The Cleveland Trust Co.

The irregular line in the diagram shows the average of the ages of the justices during each of the 147 years from 1790 through 1936. During that long period 78 different justices have served on the Supreme Court, and more than half of them have continued in service to the age of 70 or older. The number reaching the age of 70 or more

while still in service has been 40, and eight of them have served to 80 or beyond. In 1935 the average age reached 70 for the first time, but it came close to reaching it in 1861 and in 1921.

Despite the fact that the average age of the justices is now higher than it has been previously it would be a mistake to assume that this is true to an exceptional degree. During 26 of the years that the Court has been in existence four or more of the justices serving have been 70 years of age or older, and in seven of those years either five or six of them have been 70 or older. Three justices have been appointed to membership on the Court when they were in their early 30's.

The history of the Supreme Court is divided into two clearly distinguished periods in so far as the average ages of new justices at the time of appointment are concerned. Of the 78 different justices who have served on the Court, one half were appointed before the Civil War year of 1863, and their

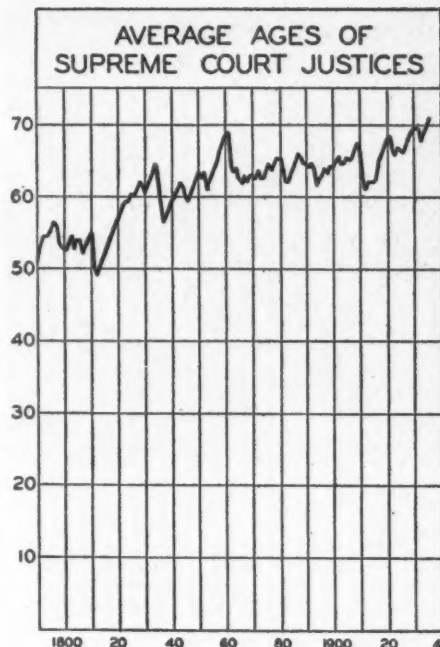


Chart by Cleveland Trust Co.

average age at appointment was 49.5 years. The remaining 39 appointed since then had an average age of 56.6 years when they began to serve. There does not seem to have been any progressive change in the first 74 year period or in the second one, but rather it appears that after the Civil War the average age at appointment was stepped up from about 50 to about 57, and it has been held about there ever since.

Credit's "Nine Old Men"

Kenneth Collins, vice-president of Gimbel Brothers, Inc., New York, named "The Nine Old Men of Credit", in speaking before the Boston Credit Bureau. He enumerated those individuals who belonged to that group which may be charged with "most of the failures on the part of stores to evaluate the credit potentialities of their business." He listed "The Nine Old Men of Credit" as follows:

1. The store owner who doesn't want a credit manager, but wants only a bookkeeper.
2. The general manager who constantly interferes with the credit manager and usurps his powers but not his responsibilities.
3. The credit manager who doesn't understand that his function is broad in its scope and believes that his only function is to be that of a collection agent.
4. The credit manager who doesn't know or care about the plan that is sending business to his competitor.
5. The credit manager who makes requirements so strict and his terms so

high that he eliminates most of his job.

6. The credit manager who wants only to sell articles on the deferred payment plan which have a high rep-levin value.

7. The advertising manager who doesn't like to play up terms in his advertising because they spoil the appearance of the page or because they will, in his estimation, give his store the appearance of being a strictly installment house.

8. The merchandise manager who thinks he can get another 20 per cent markup by selling on credit.

9. The buyer who works exclusively on the principle that instalment-plan customers don't care about values."

Go! Chica—go!

N. A. C. M. 42nd Annual Convention and Seventh Credit Congress
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Old-age pensions

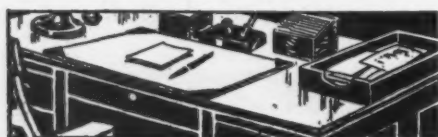
An increase of about 66 percent in monthly average expenditures for old-age pensions took place in the first part of 1936 as compared with the year 1935, in the 26 States for which data are available for both periods. The pension roll increased 44 percent and the average allowance per pensioner rose 13 percent. The year 1935 was the last year prior to the inauguration of the Federal Social Security program.

Labor banks

The four labor banks which have survived the depression made substantial gains in both 1935 and 1936. Since 1934 their surplus and undivided profits have increased 20 percent, their deposits 28 percent, and their total resources 19 percent. These four banks are all that remain of 36 that were in operation at the end of 1925.



Office-ally



Office gadgets — ingenuity under control

by Leonard Stone, Chief, Statistician's Division, American Telephone and Telegraph Co.

The increased attention that is being paid to job analysis and production methods in the office has opened up the field of gadgetry tremendously. I am thinking of a gadget as necessarily a home-made or at least a home-designed device to do a very specific job.

An idea for a time saver or material saver often originates in the mind of some one who is working with the materials or calculations involved in the process. Although these operators are not master-minds, they are apt to stand out as unique among those of their fellow workers who merely follow a routine without thinking very much. The incentive may actually be a touch of laziness whereby an operator wants to save him or herself some work, but the intelligence to think and the imagination to direct it are essential. It is a distinct responsibility of management to recognize these helpful souls and give their ideas not only the attention they deserve but also thoughtful criticism to the end that

future suggestions which they may make may be more practical, particularly if they did not at first succeed.

The following samples of gadgets illustrate part of the ground and may suggest ideas profitable to others: "Rule gadgets" which include a triangular rule marked off in 10ths and 12ths of an inch, convenient in laying out typed originals for offset reproduction—10ths for pica type, 12ths for elite; sample lines to facilitate the drawing of lines to specifications; a prepared shading sheet for measuring on statistical maps and the like, with which a magnifying thread-counter and/or a measuring magnifier equipped with a special scale engraved on glass can be used; and a typewriter centering rule.

Sliding scales, holders, and slides for various kinds of measuring work; slide rules for time measurement; slide rules for the measurement of enlargements and reductions in photography and photostat work; and special computing charts for the measurement of type-writing or print are other kinds of gadgets.

A group of gadgets to be used in photographic reproduction has been devised to facilitate the mechanical steps in the preparation of reports where too many copies are required for the economical use of the carbon method and too few for printing.

A guillotine paper cutter, a stacking tray and slide, a punch with tray gage and slide, a punch for variably spaced holes, a punch setting template, a gadget for locating two staples so that they will be missed by the plunger of a punch, a gadget for "saddle stitching" staples through folded edges, are some of the gadgets which facilitate office production.

An "arrow" stamp to direct attention to certain portions of a report or page, computing "masks" and slide, and a reducing glass and stand are miscellaneous gadgets which find their spheres of usefulness.

Perhaps the gadgets I have mentioned will drive the point home that ingenuity in the office can be made to pay dividends when encouraged and kept under control.

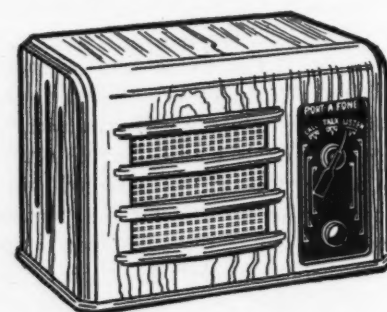
New shaver

Announcement has been made by the Dictaphone Sales Corporation of a new model shaving machine, Model S-12.

The new machine is an attractive cabinet model of modern design, finished in neutral taupe trimmed with chromium. It makes a distinctive and harmonious appearance in any office.

The New Dictaphone Shaver introduces several outstanding new features which make the shaving process practically automatic. An outstanding development is the Mercury Switch which automatically starts and stops the machine. The switch can be operated manually whenever desired. Perfect alignment of the shaver carriage, resulting in greater accuracy and longer life of the machine is assured through the use of a special rail of extreme hardness built into the frame.

The new Precision Shaver retains all those features which have made recent models of the Dictaphone Shaver outstanding. Foremost of these is the automatic knife set. The primary and secondary cuts are quickly and easily operated. Automatic release of the shaving knife as well as ejection of the cylinder is accomplished by merely opening the end gate. An easily removable cabinet cover, safety guards on all moving parts, and a powerful, smooth-running Dictaphone motor operating on either A.C. or D.C. current are a few of the distinctive features to be found in the new Model S-12 Precision Shaving Machine.



Port-a-fone

The development of an entirely new and different system of inter-departmental communication is announced by Electronic Devices, Inc. of Cincinnati. It is called the PORT-A-FONE.

It is said to operate without the usual cumbersome and troublesome wiring, the user having merely to plug the cord into the electric light socket. Speaking normally, the voice will be carried over the power lines to the other unit or units in other departments. Distributorship in exclusive territories is available from the company.

Wholesaling in '36 rose 17%; highest since '30

by S. L. KEDZIERSKI, U. S. Dept. of Commerce

The estimated total sales of the wholesale trade during 1936, amounted to 52 billion dollars, representing an increase of 17 per cent over 1935. The wholesale trade activity for the year closed at the highest level since 1930, though the 1936 volume was still short of the 1929 peak.

The vitality of the wholesale trade in responding to general business improvement was definitely revealed by the sizable per cent increases in most of the major wholesale groups. The largest estimated per cent increase was made by manufacturers' sales branches (without stock), and bulk tank stations (petroleum), each showing an increase of 20 per cent in 1936 over 1935. The second highest increase, 20 per cent, was made by assemblers (farm products).

Chain store warehouse sales indicate the smallest increase, or 10 per cent for the major wholesale groups. The full-service and limited-function wholesalers' sales (corresponding to wholesalers proper classification in the 1933 census), the largest type of wholesaler, accounting for about 40 per cent of total wholesale trade, recorded in 1936 an estimated increase of 15.5 per cent over 1935.

The upward surge of wholesale trade that began in 1934 has continued at a steady rate through 1936, despite some adverse developments during the year, such as floods and the drought. Improvement has been noted in all the chief distribution trades which tends to point the way for higher trade volume for 1937.

Each kind of business, as classified by major trades, in the full-service and limited-function wholesale group, increased its sales in 1936 over 1935. While the estimated sales for the wholesale merchants (full-service and limited-function wholesalers), for 1936 was 15.5 per cent higher than in 1935, the rate of increase varied among the different trades.

The outstanding increases were as follows: estimated sales of lumber and contractor material wholesalers in 1936 were 37 per cent higher than in 1935; plumbing and heating equipment and supplies wholesalers, 36 per cent; furniture and house furnishings wholesalers, 34 per cent; electrical goods wholesalers, 30 per cent; machinery equipment and supply wholesalers, 29 per cent; metals and metal work wholesalers, 26 per cent.

Other trades with substantial increases in 1936 over 1935 are beer, wines and liquors (first time reported); automotive products; chemicals and paints; hardware; jewelry and optical goods; and waste materials.

Wholesalers dealing with waste materials, which include scrap iron, waste paper, rags, and the like, were the only distributors that exceeded the 1929 volume.

Wholesalers handling goods for immediate consumption, such as food products and tobacco, registered favorable sales increases in 1936 over 1935, although their per cent change was relatively smaller than for wholesalers handling durable goods. This is to be expected in view of the relative stability maintained through the depression by the consumer goods wholesalers, as mentioned above.

Estimated sales of farm products (consumer goods) wholesalers and grocery wholesalers and tobacco wholesalers, were 6.6 per cent, 6.4 per cent, and 6 per cent, respectively, higher in 1936 than in 1935.

The most encouraging development of 1936, as characterized by wholesale sales, is the sustained improvement in all of the durable goods trades which began in late 1934. It seems evident from the favorable developments in wholesale trade during 1936 that the country at present is well along towards recovery and probably will in most kinds of business tend to continue towards higher levels of trade activity.

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Court decisions



SALES—REMEDIES OF BUYER—BUYER IS NOT ENTITLED TO COUNTERCLAIM FOR DAMAGES ON THEORY OF BREACH OF CONDITION PRECEDENT WHERE SALE WAS BY DESCRIPTION OF SEMI-STEEL GEAR CONTAINING WARRANTY CLAUSE LIMITING SELLERS OBLIGATION TO REPLACE DEFECTIVE PARTS. CRANDALL ENGINEERING COMPANY v. WINSLOW MARINE RAILWAY AND SHIP BUILDING COMPANY—State of Washington Supreme Court, October 1, 1936.

A seller sold by description a semi-steel gear for a railway dry dock hauling machine, under a contract containing a clause warranting the gear to be free from defects in material and workmanship under normal use and service and stating that any part demonstrated to have been defective would be replaced, but disclaiming all other warranties, expressed or implied, and refusing to assume any other liability in connection with the gear. The seller delivered a gray iron gear which broke, instead of a semi-steel gear. The seller replaced the gear and sued to recover the balance of the unpaid purchase price. The buyer sought to recoup damages by counterclaim on the theory that the failure on the part of the seller to deliver a semi-steel

gear constituted a breach of a "condition precedent" to the obligation of the buyer to accept and pay therefor.

The court said that there was no merit in the buyer's claim that the limitation as to warranties in the contract and waiver of any other warranties, applied only to the identical article agreed to be furnished, and when and if delivered, and that it had no force or effect on account of the delivery of an entirely different article. The court held that the buyer could not maintain an action or set up a counterclaim for damages under Section 11 of the Uniform Sales Act of the State of Washington, on the theory of breach of condition precedent. An action for damages under that Section must be for breach of warranty. And the court also held that the buyer was not entitled to recoup damages by way of counterclaim under the general law relating to contracts. The court said that the parties having made a contract are bound by it and that the Uniform Sales Act expressly recognizes the right of parties to contract either in compliance with or contrary to the provisions of the act. The seller having complied with the obligation assumed by it, is not subject to a liability which it has expressly disclaimed.

LABOR—NATIONAL LABOR RELATIONS ACT—A SHIPPING AND PACKING CORPORATION IS SUBJECT TO THE JURISDICTION OF THE NATIONAL LABOR RELATIONS BOARD IN UNFAIR LABOR PRACTICE PROCEEDINGS WHERE IT IS ENGAGED IN THE BUSINESS OF CONSOLIDATING AND ARRANGING FOR TRANSPORTATION OF PACKAGES WHICH ARE ALREADY ON AN INTERSTATE JOURNEY PURSUANT TO A CONTRACT OF SALE BETWEEN BUYER AND SELLER. NATIONAL LABOR RELATIONS BOARD v. NATIONAL NEW YORK PACKING AND SHIPPING CO., INC.—United States Circuit Court of Appeals, 2nd Circuit, October, 1936.

The National Labor Relations Board ordered the packing and shipping corporation to reinstate discharged employees with back pay on the ground that the corporation is engaged in interstate and foreign commerce and that in discharging the employees it had engaged in unfair labor practices in violation of the National Labor Relations Act.

The corporation's business consisted of the consolidating and arranging for transportation of packages which are already on an interstate journey pursuant to a contract of sale between buyer and seller. The purpose is to obtain bulk rates for transportation. Ninety per cent of the shipments are to buyers in other states, and the only change which occurs in the transitory stop is that of uniting into single and large packages. The court held that the corporation was engaged in interstate transactions which fall within the sphere of Federal power, and that the transitory stop does not break the interstate journey,

that it is merely a halt as a convenient step in the process of getting the shipment to its final destination.

BANKRUPTCY—CORPORATE REORGANIZATION—A FEDERAL COURT IN THE EXERCISE OF ITS DISCRETION HAS JURISDICTION TO STAY PROSECUTION OF A TORT ACTION AGAINST A CORPORATION IN REORGANIZATION PROCEEDINGS, BUT THE POWER SHOULD NOT BE EXERTED WHERE TO DO SO WOULD AMOUNT TO AN ABUSE OF DISCRETION. FOUST v. MUNSON STEAMSHIP LINES—United States Supreme Court, November 9, 1936.

The administrator of a deceased seaman commenced an action under the Merchant Marine Act of 1920 in the United States District Court for the Southern District of New York, against the Munson Steamship Lines for the defendant's negligence in causing the death of the deceased. Thereafter the defendant filed a petition for reorganization under Section 77B of the Bankruptcy Act which was approved, and a trustee was appointed to operate its property, and the institution or prosecution of any action at law against the debtor was enjoined.

The Supreme Court held that the District Court had jurisdiction to stay the prosecution of the suit because the administrator's claim is provable and dischargeable in the reorganization proceedings since the administrator is a creditor of the corporation within the meaning of the Statute in view of subdivision (b) (10). The Court said that it was plain that under said subdivision and also subdivision (c) (8) and (k) (4) the terms "creditors" and "claims" as used in 77B proceedings are more comprehensive than in the Bankruptcy Act before the addition of that section. The court went on to say, however, that the existence of the power to stay the suit did not imply that it is to be exerted without regard to the facts; that the power is within the discretion of the court and is to be exercised according to the particular circumstances of the case, and the court is to be guided by a consideration of what is just to the claimants, the debtor and the estate.

The Supreme Court finally decided that under the circumstances of this case, the court's denial of the application of the administrator for leave to prosecute his action constituted an abuse of discretion and that the injunction against bringing the suit should not stand.

BANKRUPTCY—CORPORATE REORGANIZATION—DISMISSAL OF PLAN ON SHOWING IT NOT FAIR AND FEASIBLE. TENNESSEE PUBLISHING COMPANY v. AMERICAN NATIONAL BANK et al.—United States Supreme Court, November 9, 1936.

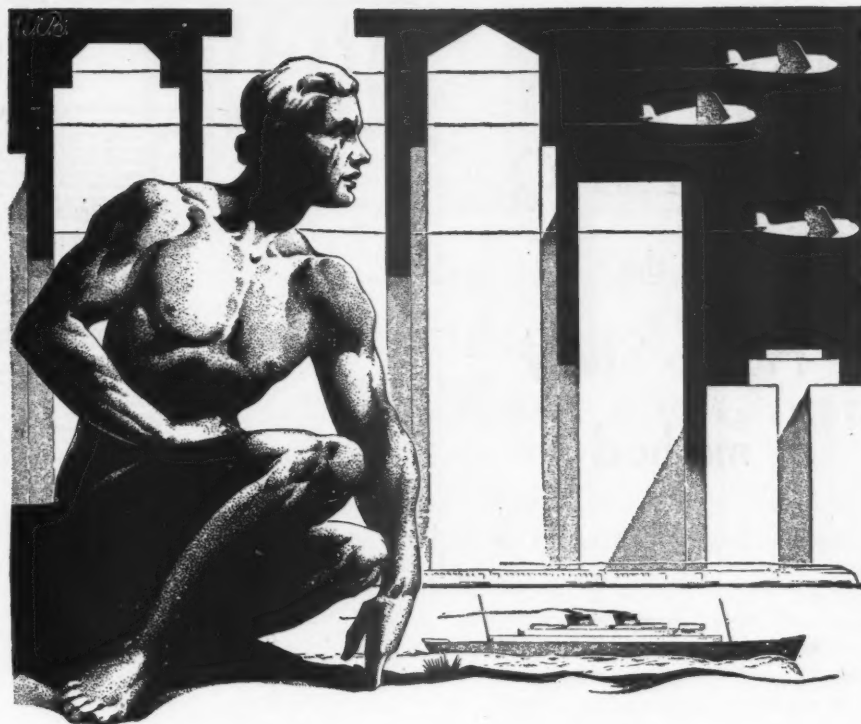
The petition of the debtor, Tennessee Publishing Company and its plans of reorganization in a proceeding under Section 77B of the Bankruptcy Act, were dismissed by the lower courts which held

that the debtor's proposal was not a workable one, and therefore not presented in good faith, as that phrase was used in the Statute, and that subsection (b) (5) of Section 77B as applied to the adjustment of claims of non-assenting lienholders was invalid under the due process clause of the Fifth Amendment of the Constitution of the United States.

The Supreme Court said that it was unnecessary to attempt to determine the constitutional validity of subsection (b) (5) and expressed no opinion as to it. The court also said that it was not necessary to inquire as to the precise limits of the concept of "good faith" as required by Section 77B. The court said that whatever these limits may be the statute clearly contemplates the submission of a plan of reorganization which admits of being confirmed as "fair and equitable" and as "feasible." However honest in its efforts the debtor may be, and however sincere its motives, the District Court was not bound to clog its docket with visionary or impracticable schemes for resuscitation and that unless the District Judge finds that the plan is fair and equitable and feasible under Section (f), he need go no further. Since the District Court did not find that proposal to be fair and feasible and on the contrary deemed it unjust to the bondholders to override what had been accomplished in a prior equity proceeding, and since the proposal met almost unanimous opposition on the part of the secured creditors, and a refusal of assent by a majority of general creditors, the District Court was justified in dismissing the proceeding.

BANKRUPTCY—PRIORITIES—STATE TAX CLAIM DOES NOT HAVE PRIORITY OVER CITY TAX CLAIM. STATE OF MISSOURI v. ROSS—United States Supreme Court, November 9, 1936.

The bankrupt estate was indebted to the State of Missouri for taxes in the sum of approximately \$8,000 and to the City of St. Louis for taxes in the sum of approximately \$9,000. The funds of the estate were insufficient to pay these taxes in full. The referee held that the claims of the State and City were of equal rank under Section 64 of the Bankruptcy Act and that the available funds should be pro rated between the claims. He denied a motion by the State for priority over the City's claim. The Supreme Court said that they agreed with the view of the lower courts that by Section 64 (b) (6) of the Bankruptcy Act, all taxes whether of the United States, State, County, District or Municipality were placed on a parity, and that it was clear by the enumeration in Section 64 that the intention clearly was to put the various Governmental units in respect of their taxes in a single class upon terms of equality with one another and that if it had been intended to establish priorities, each unit would have appeared under a separate numeral instead of all being grouped under a single numeral in Section 64 (b).



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Safety

Injuries resulting from industrial accidents in the iron and steel industry decreased in 1935 as compared with 1934. The frequency rate declined from 19.42 to 17.14 per million man-hours, and the severity rate declined from 2.42 to 2.11 per thousand man-hours, although the total man-hours worked increased by 17 percent. The effectiveness of safety work is indicated by the experience of a select group of establishments

with a frequency rate of about one-third of that of the entire group.

Benefits

More than \$26,000,000 was paid out in various types of benefits in the year 1935 by trade-unions reporting to the American Federation of Labor. These payments included benefits to members for death, illness, unemployment, old age, disability, and certain other economic hazards, but did not include strike benefits.

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Migrants

A decrease as compared with 1935 occurred in the number of migrants in need of manual employment who entered California during the first half of 1936. During the last half of 1935, 43,180 such persons arrived in California in cars bearing license plates of other states. The number dropped to 27,867 during the first half of 1936. The migration of these unemployed is closely correlated with seasonal agricultural developments in the state. The states which had suffered from the drought were the largest contributors of migrants. Whereas the total migration during the first half of 1936 was 36 percent less than during the last half of 1935, the number of migrants from the "dust-bowl" states declined only 26 percent. In both periods white Americans were the predominating group.

Lump-sum compensation

Lump-sum settlements under workmen's compensation legislation have not proved satisfactory, according to a recent investigation carried on in New York State. This form of settlement

is customarily made in such cases as head injuries and back injuries, where the extent of the injury may be difficult to measure and often involves neurosis. In these cases, it has been believed that giving the claimant the full sum due him would act as a curative device. The investigation found, however, that in practice the curative benefits were slight, and that, in most cases, installment payments would have been much more helpful to the recipients.

Kitchens in Cleveland

Cleveland builders and electric appliance distributors have built a number of electric health kitchens in the city and suburbs conforming to the specifications of the Electrical League of Cleveland. The homes have been built with special emphasis on the all-electric kitchen and a great deal of attention has been given to the placement of equipment, with relation to windows, doors, and other equipment. The development is expected to be helpful in increasing the intelligent use of electrical appliances in the home.

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More Congress Groups Decide Program Plans

Leader Allen Selby Announces Other Discussion Items

Interest in the programs for the various groups at the Credit Congress of Industry which is to feature the Tuesday sessions at the N.A.C.M. national convention in Chicago on June 21 to 25 is increasing each day as the date for the big convention nears. Present prospects point to an all-time record enrollment of credit men for the Chicago convention. This also indicates that attendance at the group sessions also will establish new records.

Announcement was made in the March issue of a number of the group programs for the Credit Congress sessions. Other programs have been completed during the past month. Allen Selby, chairman of the Credit Congress, outlines these additional programs as follows:

"Headaches for sales managers and credit managers loom in the months ahead because 'average' concerns which have survived the downswing are facing a shortage of capital resulting, first, from capital depletion, and next, from taking on too much business (without having increased capital) on a rising market. And a further rise in prices will tend to aggravate conditions."

The above situation is but one of many which will be discussed in the Credit Congress of Industry sessions of the Petroleum and Automotive Supply Wholesalers Group during the forthcoming convention.

Other subjects announced by A. W. Pfeiffer, assistant treasurer, United Motor Service, Detroit, and M. D. Fields, Central Rubber and Supply Co., Indianapolis, national co-chairman of the group, include:

"Counseling with Customers in Their Operating and Financial

Named Chairman Of National "C" Women's Group



Rose C. Schackmann, Chas. Scribner's Sons, Chicago, to lead Women's Group

Chicago.—A host of friends learned with distinct pleasure that Rose C. Schackmann who has been associated with Chas. Scribner's Sons, Chicago, for the past ten years, was appointed chairman of the National Credit Women's Executive Committee for the Chicago Convention Year. This timely appointment is all the more welcomed because it will find Miss Schackmann presiding in her home territory.

Miss Schackmann's attendance at the last thirteen National Conventions constitutes an outstanding record, and it is a piece of real good fortune that she is able to accept the responsibility this year.

Her many excellent capabilities coupled with her personal charm and the many sincere friendships she has within the credit fraternity all bid well to make her year of service one of particular accomplishment.

Among other plans and activities which Miss Schackmann has outlined, she is stressing the importance of membership and we bespeak for her the earnest cooperation of all.

Syracuse Is First To Meet Its Quota

Dana W. Norris Tells How Plan of Individual Quotas Based Upon Yearly Sales Worked Out

Syracuse Association of Credit Men has won the honor of being the first of the 121 associations affiliated in the National Association of Credit Men to reach its quota for the Development Program. National Director, Dana W. Norris, of the Lennox Furnace Company, who served as Chairman of the Development Program Committee, has outlined the mode of procedure used by the Syracuse Association. The plan has so many excellent features, and also the further endorsement as shown by the results obtained, that we are passing it along to other Associations.

Mr. Norris describes the Syracuse plan as follows:

"The Directors of our Association in Syracuse were constituted the campaign committee. They decided that our success would depend largely on the care with which quotas for each member were established. We concluded that benefits from the activities of the National Association of Credit Men were more or less directly proportional to the volume of business done by each individual member, regardless of whether those benefits in each case were tangible or intangible. We therefore decided that quotas should be based on the known or estimated sales volume of individual members.

"We started with a tentative quota of 1/100th of one per cent of a member's annual sales. It seemed that with credit losses averaging 1/2 of one per cent or more annually for all business, this 1/100th of one per cent subscription to a program having as much benefit to business as has ours was small indeed, and we made good use of that argument through our campaign.

"Getting back to quotas, however we found that even this small percentage was more than enough, so we scaled it down

N. Y. Women Name Scholarship for Mrs. Helen Pouch

New York.—At its April dinner meeting, the Women's Credit Group of the New York Credit Men's Association will honor a loyal and inspiring friend who has done perhaps more than any one other person to further the growth of Women's Credit Groups throughout the country, Mrs. Helen R. Pouch. The New York Credit Women will dedicate to her a Scholarship that has as its purpose the fostering of Credit as a profession among women.

This Group has always endeavored to draw together all credit women, and to encourage and help them. Carrying this idea further, the new plan extends this encouragement and help interested young women in business to chose Credit as their work.

The Group has long felt that while it is gratifying that more and more women are seeking to advance themselves through attendance in the well organized classes in Credits and Collections being conducted by the New York Chapter of the National Institute of Credit,

(Continued on page 43)

about 30% and then established a top limit for the larger concerns. We then assigned a quota to each member whom we could expect to contribute. We had a few members who could not be expected to contribute, and no quota was set for them. We had to allow for some shrinkage for various reasons, so our total "budget" for the campaign was set at about 60% over our association quota, and before we are through we will come pretty close to reaching that goal.

"Proceeding in this way, however, did enable us to be the first association to 'go over the top' on our association quota. What is just as important, in our opinion, is that every single subscriber to the campaign felt that we had proceeded in a businesslike way in establishing quotas as we did, and when we explained to the members how we had set the quotas, they were perfectly satisfied in nearly every case to come in for the amount we asked. We found it was quite easy to 'sell' the value of this Development Program to hard-headed business men, but if we had not been able to show them that we were going about raising the money in a businesslike way, we are quite sure that our results would not have been what they were.

"We found a widespread willingness on the part of most members to do their just share, but too often it happens in campaigns of this kind that the easy marks are called upon to do more than their share. That is what we very carefully tried to avoid, and our success is evidence that we did avoid it, and that our members felt that no one would be asked to do more than his share. We strongly recommend to other associations that they give a lot of time and thought to the establishment of quotas for their members that are fair and equitable, before they ever start their solicitation."

Minneapolis.—R. A. Hamner, Councilor of the Minneapolis Association of Credit Men, expects 500 executives from the Northwest area to attend the 22nd Annual Northwest Credit Conference to be held at the Nicolet Hotel, Minneapolis, on April 17th. National Executive Manager Henry H. Heilmann and E. B. Moran, manager of the Central District NACM, will be among the speakers at the Northwest Conference.

Urge Early Hotel Reservations By ALL Convention Delegations

The evening of Tuesday, June 22, the second day of our convention, is going to be a busy one in Chicago.

For on that evening the newspapers announce a fistic encounter here between James J. Braddock and Joe Louis, the brown bomber of Detroit. It's to take place at the White Sox Ball Park on the South Side.

Because of Chicago's central location the ball park will undoubtedly be filled to capacity. But what is more important from our point of view is the 50,000 out-of-town fight fans who will compete with us for the 19,000 available hotel rooms located in Chicago's loop.

When fight fans come to Chicago for an event they always prefer to stay at down-town hotels. They make reservations for weeks in advance. If they run true to form again this June, there won't be a vacant down-town hotel room on the twenty-second.

Therefore, the Hotels and Reservations Committee urges that you send your reservation to the Registration Committee in care of The Chicago Association of Credit Men, 2100 Merchandise Mart now. This will enable the committee to secure suitable accommodations for you at the Stevens—head-quarters hotel. We can secure room protection for you once we know you intend coming.

Credit men are already inquiring about tickets, not only

for themselves, but for the other executives of their company. The fight on Tuesday night will be an added incentive to many officers of our member firms to spend the valuable and pleasurable week in Chicago in attending the general sessions of the Convention and the Credit Congress of Industry. While many business executives, other than the credit managers, attend our national conventions, all possible effort to increase the attendance of these men is most constructive. No occasion will to a greater degree give them a better appreciation and sympathetic understanding of their credit managers' importance and responsibility.

The convention committee is confident that the 42nd Annual Convention and Credit Congress of Industry of the National Association of Credit Men will be the outstanding business meeting of the calendar year. This, obviously, is another good reason for inviting your executives to attend convention sessions with you.

Should they want tickets for the fight you can assist them. J. F. O'Keefe, Secretary, The Chicago Association of Credit Men and A. L. Podrasnik, The Daily Times, report that they have a block of tickets under control available to credit men and their guests. Those desiring them should communicate direct with Mr. O'Keefe.

Town Meeting Forum At Boston Discusses Many Credit Problems

Boston.—The March dinner meeting of the Boston Credit Men's Association held on March 9th took the form of a "Town Meeting Forum." A number of subjects having to do with credit matters were discussed such as the relation of financial statements to ledger Interchange information, acceptance of credit from new concerns, use of salesmen as collectors, use of individual or form collection letters, shall credit terms be inflexible, should credit men compile comparative operating statements and ratios. Other discussions had to do with the promotion of a complete delegation to the Chicago convention and also with the work on the Development Program in the Boston area.

New York Judge Rules Against Arbitration in Bankruptcy Case

New York.—A ruling by Federal Judge William Bondy in United States Court here early in March sets out a new point of law expected to have a wide application in all bankruptcy cases.

Judge Bondy's decision holds that a trustee in bankruptcy is not obliged to abide by an arbitration award unless the trustee is made a party to the arbitration proceedings. It was pointed out that the arbitration award was binding under the New York State Arbitration Law but Judge Bondy ruled that the court in considering a specific statute is not necessarily bound by it in handling bankruptcy matters.

NYC Banquet Sets Record at 1500 Mark

New York.—The annual banquet of the New York Credit Men's Association held at the Waldorf-Astoria Hotel on March 9th drew the largest attendance in the history of the New York Association, more than 1500 being present. Joseph Rubanow of the Manufacturers Trust, who is President of the New York Association, acted as toastmaster.

The principal speakers were Dr. Glenn Frank, until recently president of the University of Wisconsin, and also A. E. Lavery, of the Bridgeport Hydraulic Co. Dr. Frank reviewed many of the subjects now prominent in national affairs and Mr. Lavery spoke in a lighter vein on business subjects.

President Rubanow in reviewing the work of the New York Credit Men's Association stressed the fact that New York more than any other of the local units affiliated in NACM realizes how important it is to have the national group effective in its leadership in the credit field.

Mr. Rubanow reviewed the work of the Development Program and indicated that with the start already made in the New York area that the New York Association would come forward with its full quota before the end of the fiscal year.

St. Paul "C" Men Urged To Oppose New Taxes

St. Paul.—Members of the St. Paul Association of Credit Men on March 9th heard a very interesting discussion of tax matters by Hon. Gerhard Bundlie, chairman of the tax committee of the St. Paul Association of Commerce. The meeting was held for the special purpose of arousing opposition to the proposed income tax law in Minnesota.

Milwaukeans Are Told How Their City Buys

Milwaukee.—Members of the Milwaukee Association of Credit Men learned of the advantages of centralized buying for a municipality at the March 18th luncheon meeting, which was addressed by Joseph Nicholson, Purchasing Agent of the City of Milwaukee.

More Congress Groups Decide Program Plans

(Continued from page 41)

cial Problems"; "Analyzing Balance Sheets and Detailed Operating Statements"; "Budgets for Customers"; "Is the Credit Department Backed up with Full Authority?"; "Cash Discounts—Trend"; "Use and Misuse of Trade Acceptances"; "When Should We Sell for Cash or C. O. D.?"; "When Should Leniency Be Shown a Distressed Debtor?"; and a lot more.

Vice Chairmen E. M. Palmer, Hinsdale Mfg. Co., Chicago, and W. C. Steffensmeyer, Sidles Co., Lincoln, Neb., in addition to the co-chairmen, have been doing a great deal of constructive work since their appointments.

• • •

The Clothing and Men's Wear Credit Group and the Dry Goods and Men's Wear Credit Group have been combined for greater efficiency into one group to be known as the Dry Goods, Clothing and Men's Wear Credit Group according to announcement by Allen Selby,

National Chairman is C. L. Bonson, The Allen A. Company, Kenosha, Wis., vice president, The Chicago Association of Credit Men. Mr. Bonson has divided the new group into two divisions—Dry Goods and Clothing and Men's Wear.

Two National Vice Chairmen, C. E. Mann, Munsingwear, Inc., Minneapolis, and F. E. Dorsey, Carson, Pirie, Scott & Co., Chicago, are looking after the affairs of the Dry Goods Division, while I. N. Haskell, Alfred Decker & Cohn, Inc., and C. L. Holman, Wilson Brothers, both of Chicago, are functioning in similar capacities for the Clothing and Men's Wear Division.

The four vice chairmen and Mr. Bonson have been cooperating for some weeks in the production of the program. The report that combining the two groups into one has met with widespread approval among those in the trades. Accordingly, they anticipate a much larger attendance at the group sessions.

When credit executives of wholesalers of food products meet in Credit Group sessions, next June 21-24, they will find that National Chairman Fred J. Bury, of E. R. Godfrey &

New York Women Name Scholarship As Honor to Mrs. Helen R. Pouch

(Continued from page 41)

there are others who are deterred from entering the classes for many reasons. Some of them lack knowledge of what courses may be had; others lack the necessary funds; some have not seriously considered credit as a vocation.

To help these young women, the Group has devised this plan. Each year it will set aside a fund, to be known as the Helen R. Pouch Scholarship Fund. This fund will provide one year's tuition in the class in Credits and Collections offered by the New York Chapter, National Institute of Credit, one year's membership in the Institute, and the necessary books, etc., required for the course. The scholarship will be awarded each year on a competitive basis to the young lady who has complied with the requirements of entrance and has best answered a questionnaire testing her grasp of business, her alertness, and her desire to advance. The test will be given in the Spring, in a classroom of the Institute, and the Scholarship will become effective in the Fall.

Any girl who is in the Credit Department or any other office of her firm, but especially the logical one to succeed the Credit Manager, will be eligible to compete, provided her application is sponsored by her

Credit Manager who holds membership either in the New York Credit Men's Association (it may be a firm membership), or in the Women's Credit Group. Thus the contest is open to bookkeepers, stenographers and clerks, as well as to Credit assistants. The Executive Board of the Women's Credit Group will constitute the judges.

The New York Credit Women's Group is most enthusiastic about this plan. It feels that not only will the winner of the scholarship be benefited, but that, because of the publicity, other young women will be encouraged to take the courses and otherwise to advance themselves in Credit work.

The Group is anxious to reach every possible prospect and therefore it earnestly asks all Credit Executives to draw this scholarship to the attention of their assistants and to encourage them to apply for it. Only so can the Women's Credit Group reach the deserving, interested, capable young women it aims to help.

Applications may be sent to Miss Anne H. Spitzer, Chairman of the Women's Credit Group, either c/o The International Handkerchief Mfg. Co., 136th Street and Willow Avenue, Bronx, N. Y., or c/o The New York Credit Men's Association, 354 Fourth Avenue, New York, N. Y.

Sons Co., Milwaukee, has prepared a splendid and complete program.

Subjects include, among others, a study of "Causes of Failures in the Retail Food Business"; "Effect of Continued Growth of Food Consumer Co-ops upon Credit"; "Types of Legislation Which Concern the Food Industry and Have a Relationship to Credit"; "The Retailer Assistance Program Embracing the Business Service Idea"; "Effects of Corporate Chain Stores on Credit"; "The Value of Accounting Service to the Retail Food Merchant"; "Advantage of Selling on Weekly Terms."

"In numerous ways the credit profession," Mr. Bury believes, "has unusual opportunities for contributing to the good business health of the nation's retail merchants."

"The success of the wholesaler-retailer method of distribution is primarily dependent upon the success of the retailer.

And the high mortality rate among independent retail merchants in recent years is an indication of the need for a closer interest in their problems.

"Statistics show that over 65 per cent of the causes of failure are within the control of the individual. Surely, this is a challenge to our industry and to the credit department in particular.

"We must acquire the knowledge properly to qualify as business counsellors, supply practical methods and helps and assist with constructive and concerted action on the part of the entire organization."

National Vice Chairman of the Food Wholesalers group of the Credit Congress of Industry is A. L. Ludolph, Franklin MacVeagh & Co., Chicago.

Go - Chica - Go!

Alvin Smith To Seek Trophy for Richmond, Va.

Richmond. — Membership Chairman Alvin M. Smith is out to increase the membership of the Richmond Association to 200, which is an addition of 19 to its present roster. Richmond had a membership of 170 on May 1st and now boasts of 181 with a final drive being made during membership week for the addition of 19 more members to bring the total up to 200. This Chairman Smith hopes would give the Richmond Association another chance at the membership trophy for 1937.

Tacoma Women In New Credit Club and Join Big Conference

Tacoma.—The Tacoma Credit Women's Club was organized here on March 2nd. Miss Ivy Wallace, President of the Seattle Credit Women's Club, assisted in the organization which now embraces some eighteen or twenty young women engaged in credit work. The new club played an important part in entertaining the Northwest Conference held in Tacoma on March 18th and 19th.

Seattle "C" Women Entertain

Seattle.—On March 8th members of the Seattle Credit Women's Club entertained their employers. There were eighty members, employers and guests at a dinner which was followed by a program of entertainment.

Speaks on Credit Education

Binghamton.—Frank R. Wasung, Superintendent of Schools of Norwich, N. Y. was the speaker at the March 23rd dinner meeting of the Binghamton Association of Credit Men, his subject being "Modern Education in Credit."

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In Louisville:- The Men Behind the Association



The Board of Directors and Credit Methods and Practices Committee of the Louisville Credit Men's Association

Outside row, from left to right: E. H. Heller, Citizens Union National Bank; S. J. Schneider, Secretary; F. W. Edwards, Bush-Krebs Co.; W. G. Harned, Federal Chemical Co.; Berl Boyd, Belknap Hdwe. & Mfg. Co.; R. B. Gratzner, Courier-Journal & Louisville Times Co.; C. W. White, Logan Co., Chairman, Committee; C. E. Martin, J. F. Kurfees Paint Co.; C. S. Allen, Peaslee-Gaulbert Corp., President, Association; H. Guy Lyon, Robinson-Pettet Co., President, Adjustment Bureau; E. F. Fleischer, Henry Fischer Packing Co.; Chas. G. Drayer, Louisville Grocery Co.; Alvin Linker, Linker Cigar Co.; S. G. Robertson, McKesson-Peter-Neat Co. Inner row, from left to right: C. H. Allen, Standard Oil Co. of Kentucky; V. H. Weber, Stratton & Terstegge Co.; P. B. Bethel, Louisville Board of Fire Underwriters; John L. Wrege, Louisville Tin & Stove Co.; Arthur B. Dehler, Geo. Dehler, Jr. & Co.; E. C. Mitchell, Booker & Kinnaird.

The Ohio River floods gave many Associations the opportunity to demonstrate the tremendous possibilities and value of a credit organization. Among that number the Louisville Association met and handled every credit problem brought about by the flood. In addition, it proves its civic and community value by its support of the American Red Cross and similar organizations in their work of salvaging and rehabilitation.

The economic result of its efforts will be the re-establishment and continuance of many profitable outlets for merchandise which would otherwise have failed, with inevitable losses to creditors.

Their work of rehabilitation and reconstruction of the business machine is not finished, however. Having met the direct and immediate problems, they now have to deal with the indirect and secondary results of the disaster. Many individuals will have a problem in buying and paying for their normal needs. This will present a problem in credit for the retailer. The retailer in turn will have his credit problems. He may require consideration and temporary credit accommodation from his suppliers.

And the problem for suppliers will be to distinguish between the worthy and the unworthy. Here again the Louisville Association, through its

Credit Interchange Bureau, will render a service vital to the business community. It has the past record of the business organizations directly or indirectly affected by the flood. With that as a point of beginning, it is now engaged in maintaining a close, constant check on the fortunes and welfare of these enterprises, and the comparison of performance before and after the disaster will be the acid test of credit responsibility.

Thus, Louisville proves the value of Credit Interchange Service to its local community and to suppliers of the Louisville territory located in other markets. The situation left by the recent flood brought undeniable proof of these facts.

Paper Men Are Told of Credit Dept. Needs

Chicago.—Russell C. Flom, Menasha Products Company, presented six requirements which management may well expect of credit departments at the mid-winter session of the Paper Manufacturers and Merchants Group held on February 19th at Hotel LaSalle. Mr. Flom's list of items to which the credit department must measure were as follows:

1. "Management expects the credit department to be profit conscious.

2. "Management expects the credit department to cooperate in the proper and efficient direction of sales effort.

3. "Management expects all letters to be written with the thought in mind that they must do a selling job for the company.

4. "Management expects the credit executive to get out of the woods so he can see the trees—to get the outside viewpoint and broaden himself.

5. "Management expects the credit department to be alert to local conditions and to catastrophies and disasters and to meet those conditions with the sort of human understanding that builds everlasting good will.

6. "Management expects the credit department to be constantly on the lookout for formerly bad accounts that have improved to the point where they can now be solicited."

G. H. Williams Is Mourned by N. Y. Credit Managers...

New York.—Members of the New York Credit Men's Association are mourning the death on March 13th of George H. Williams, who for the past four years has been associated with the H. A. Caesar & Co., textile factors of New York.

Mr. Williams held a life membership in the New York Credit Men's Association. He was president of the NACM affiliate in 1912 and was chairman of the general convention committee for the 31st Annual NACM Convention, held in New York City in 1925.

Mr. Williams retired from active business last October.

Wichita Is Host to Big Group at Regional Conference, Feb. 15

Wichita.—The Kansas City and St. Joseph, Missouri Associations were invited to join with the usual annual meeting of the Kansas and Oklahoma credit executives for a new territorial Tri-State Conference which was held in Wichita, Kansas, February 15, 1937, under the chairmanship of N. A. Harms, President, Wichita Association of Credit Men. The meeting was well attended and the Conference subjects proved interesting and conducive to splendid discussions.

Mr. Harms opened the session and presided at the morning meeting, in the absence of "Hod" Ensign who was delayed due to dust storms. Ed B. Moran, Central Division, National Association of Credit Men, Chicago, presided at the afternoon session.

The two outstanding talks of the Conference were presented by Attorney Earl W. Evans, Past President of the American Bar Association, on the subject of "Safety First," in which he related the turmoil of world wide affairs to the problem of credit, and recommended a cautionary "safety first" movement on the part of our Government.

Executive Manager, Henry H. Heimann, gave the principal address of the evening, discussing labor, supreme court and taxes.

Other speakers were H. W. Hardy, Oklahoma City, on "Small Profits and Quick Returns"; W. E. Titus, Oklahoma City, on "Tax Information Through Interchange," and Stanley Spurrier, Wichita, on "The Natural Business Year." Mr. Heimann also explained the N.A.C.M. Development Program.

\$5 Hat Offered For Member in Paint Group

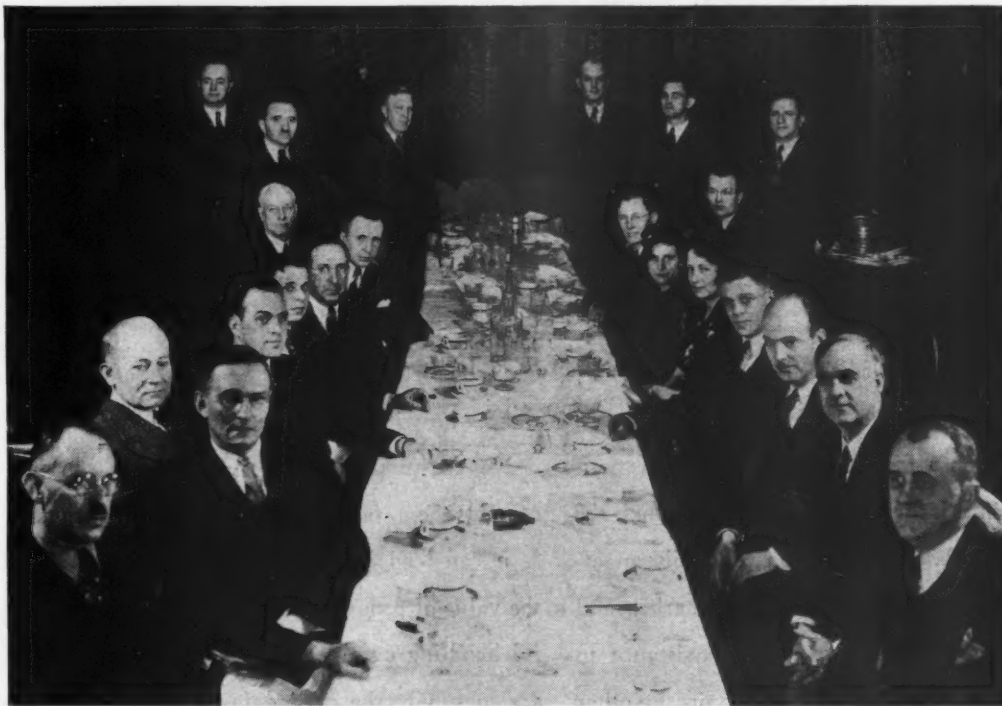
New York.—Members of the New York Paint and Allied Industries Credit Association, an affiliate of the New York Credit Men's Association, are out to secure additional members. Each present member securing a new group member during the month of March was awarded a \$5.00 hat.

A selected list of desirable prospects has been distributed to each member and it is expected that the contest will add several new participants in the Paint and Allied Industry Group during the month of March.

Quaker Ladies Entertain

Philadelphia.—The Philadelphia Credit Women's Club has announced its annual card party to be held on April 1st.

Weekly Luncheon at Cincinnati



Cincinnati.—The above photograph was taken at the Tuesday noon Credit Club luncheon of the Cincinnati Association of Credit Men. The names of the credit men shown in the picture are as follows:

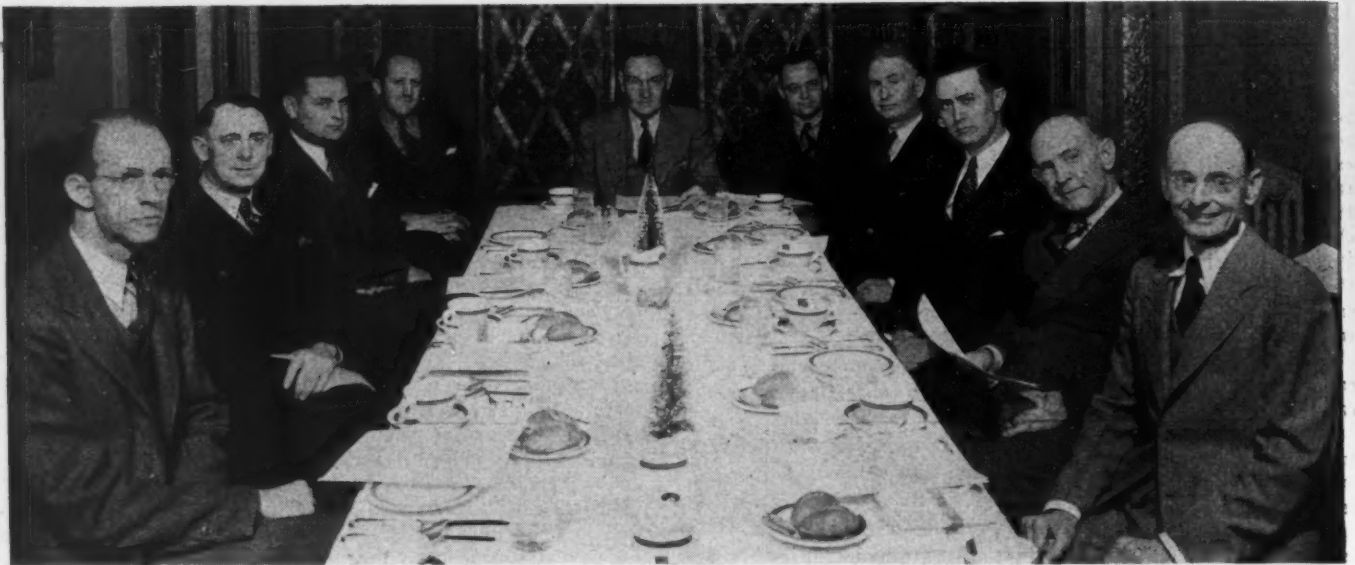
Seated from left to right: E. S. Horwitz, Chas. Meis Shoe Co.; J. A. Deiters, Cincinnati Enquirer; A. Imsande, Cincinnati Enquirer; E. H. Denning, Cincinnati Enquirer; J. W. Hueber, Accountant; L. S.

Meyer, Jr., L. S. Meyer & Co.; H. A. Nieman, Arrow Press; Thomas Bell, Cin. Economy Drug Co.; Vernon Wold, South Western Publishing Co., L. G. Burwinkel, Westinghouse Elec. Co.; Miss Marie Kroger, Dubois Soap Co.; Miss N. D. Crowder, Kemper-Thomas Co.; E. V. Thomas, Mgr., Ass'n Collection Dept.; J. D. Satterfield, Jones & Laughlin Steel Corp.; H. W. Voss, Secretary; O. E.

Dreutzer, Chairman, Credit Club Alms & Doepeke Co.;

Standing from left to right: L. J. Bradford, Lunkenheimer Co., Vice President of N.A.C.M. and Ex. Pres. Cin. Assn of Credit Men; A. L. Moler Fifth Third Union Trust Co.; L. J. Carpenter, French Bauer, Inc.; Allen S. French, French Bauer, Inc.; R. C. Jones, Mgr. Ass'n. Credit Interchange; and Jos. Stevens, Goodall Company.

In El Paso:- The Men Behind the Association



The Board of Directors of the Tri-State Association of Credit Men

From left to right: Leroy M. Williss, Southwestern Sash & Door Company; O. C. McConnell, Crombie & Company; C. F. Murray, Standard Oil Co. of Texas, Vice-President; Owen S. Dibbern, Western Division Manager, National Association of Credit Men; R. H. Rodgers, El Paso Electric Company, President; J. L. Vance, Secretary; T. D. Swearingen, McElroy Packing Co., Forrest Smith, State National Bank, Treasurer; Neal Taylor, Southwestern Portland Cement Co.; A. A. Martin, Momsen Dunnegan Ryan Co.

The El Paso Association of Credit Men sets a high standard of performance in the field of Credit Interchange Service. Dedicated to the principle that effective cooperation is predicated upon a free exchange of ledger experience information between creditors, the El Paso organization has built an effective unit for its local market and has lent its support and assistance to development of similar units in other nearby communities, such as Albuquerque, New Mexico.

Whether it be El Paso and Albuquerque, or any other community, or communities, there is one basic essential in any exchange of information. The individual or firm giving informa-

tion today will need information tomorrow. When that need arises, the response to it, both as respects speed and completeness, is in the hands of those who will supply the information.

No credit service organization can control these factors save and except as it can lend its efforts to impressing the value of prompt attention and careful handling on the part of those who are to supply the needed facts.

Competitive and conflicting activities have induced the error of thinking that ledger experience information taken from the ledgers of creditors will be available without creditors assuming the responsibility of supplying that information.

Acceptance of responsibility for giving as well as getting information is the cardinal principle of Credit Interchange Service. Lacking this principle, the inevitable result is a break-down in the exchange of this vital information.

That trend of thought requires the attention and action of every Association organization. As in El Paso, the efforts of Associations must be directed along lines of eliminating competition in the field of ledger experience information by building and developing an understanding of the essential principle that cooperation involves the acceptance of responsibilities as well as advantages.



Five Convicted Of Fraud Given Prison Terms

New York.—Prison terms inflicted on Philip Gladstone, Henry Karnig, Albert Thomas, David Lowz and George Sabele by Federal Judge Bryan on Friday, March 19th, wound up the prosecution of one of the most famous alleged business frauds in the New York area in the past few months. This case which occupied the attention of the United States District Court in New York for eight weeks was based on a charge of conspiracy and concealment of assets arising out of the bankruptcy proceedings of the Aetna Sportswear Company, 15 Kneeland St., Boston, Mass.

Jacob J. Lesser, a veteran member of the bankruptcy bar in the New York area, was exonerated by the jury on the charge of conspiracy with Hugo Burke to conceal assets at the time of the bankruptcy proceedings. The jury accepted Mr. Lesser's own testimony that his association with other defendants in the case had been limited to the discharge of professional services and upheld his contention maintained throughout the hearing of the case that his intrusion in the indictment had been primarily due to vindictiveness on the part of one defendant.

The charges against three of the first convicted in this case were originally investigated by the Fraud Prevention Department, of the National Association of Credit Men, which co-operated with Assistant United States Attorney John W. Burke in presenting the case to the court.

ZEBRAFFAIRS

Fresno.—On February 13th the Fresno Herd acted as host to about eighty Zebras from the three California Herds—Los Angeles, Oakland and San Francisco, with a few Zebras from San Diego, the latter not having as yet established a definite Herd of their own but holding membership in the Los Angeles Herd.

The event was the occasion for the initiation of ten lowly Quaggas into the mysteries of Zebeldom at a Dinner Meeting and initiation held at the California Hotel.

Many excellent entertainment features were provided and the visiting Zebras left for their respective homes determined that this first state conclave of the California Herds would establish a tradition for a similar yearly event for the credit men in California Associations who had "earned their stripes."

The above picture shows the group in attendance at this first annual conclave. It would be impossible, so Owen Dibbern says, to present the names in a way that they could be recognized because of the large number in attendance.

San Francisco.—The seldom mentioned California climate is credited with many interesting phenomena of nature, but up to this writing no claim has been made that the wonders of this land of sunshine and flowers have actually caused a leopard to change his spots. No, don't get us wrong 'cause we don't make such a claim—yet, but the Zebras hereabouts have been doing some mighty weird things

to the commonly accepted stripes of the Sport Model Jackass.

This is not a treatise on natural history, but a report on the comings and goings of the San Francisco herd, who on May 22nd, forsook the habitat of the Zebra to don the more glamorous grease paint of the thespian. Thus adorned, they submitted the sixth edition of the San Francisco Credit Men's Minstrel Show and Olio for the edification of a large and rather startled audience.

During the summer months, the local herd grazed, or should we say basked, in the afore-described, seldom-mentioned California sunshine. Vacations over, the herd returned to the manger, champing at the bit for new worlds to conquer. In November, Superzeb Lou Miller called the critters together to get organized for the 1936-37 season. During December, the old hay-burners had hardly recuperated from a bang-up Christmas luncheon of their own, when they stampeded into the stellar role of the Association's annual Xmas Jinx.

February 5th ushered in a series of monthly luncheons with speakers prominent in civil and business life, as well as outstanding stars from the world of sport.

President Keefe Tells of Progress at Tampa

Tampa.—Executive Manager

H. M. Bower Sees New Gains for 1937 Business

Wausau.—H. M. Bower, treasurer of the Employers Insurance Co. of Wausau, was the principal speaker at the Wisconsin Valley Chapter held here on February 24th. Mr. Bower centered his remarks on the general subject "What Are the Prospects for 1937?"

Mr. Bower reviewed the incidents leading up to the recent business depression and pointed to some of the signs in the present upturn which call for serious thought. He reviewed various business factors such as department store sales, sales by mail order houses, sales of motor cars, the revival of activity in the business industry, big gains in steel production, and similar indices of returning prosperity, and gave the prediction "in summing up the situation for 1937, I would say that excluding protracted labor troubles and the war between major European countries, we should expect a continuation of the progress made during the past year to carry through 1937."

Henry H. Heimann and Senator Henry C. Tillman, made the principal addresses at the annual meeting of the Tampa Association of Credit Men held at the Hillsboro Hotel, on March 10th. President E. J. Keefe gave an interesting review of the operations of the Tampa Association during the past year.

● Every credit executive—every retailer—knows that slow accounts cut tremendously into net profits. But few realize in how many different ways slow-pay customers penalize the returns from sound merchandising, traffic-building promotion, efficient operation. The cost of warehousing your merchandise in the customer's home is greater than most retailers think!

Mail the Coupon For FREE Copy

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222 offices in 150 cities

Please mail me free copy of "The 10 Hidden Losses In Slow Charge Accounts." This request places me under no obligation in any way.

Name

Address.....

City..... State.....

Sioux Falls.—During the two day Credit Conference held here March 19 and 20, 300 credit executives and their wives heard Executive Manager Henry H. Heimann of the N.A.C.M. discuss "The New Boom—Blessing or Menace."

A playlet, "The Samaritan," was presented by the Des Moines Association of Credit Men. Mr. S. S. Hall of Des Moines spoke regarding the Highlights of Legislation.

Delegates traveled as much as 300 miles to attend this Credit Conference. The program was well balanced and the attendance was exceptionally good. The Tri-State Conference is comprised of the following Associations:

Nebraska: Lincoln, Omaha.

Iowa: Burlington, Cedar Rapids,
Davenport, Des Moines, Sioux City,
Waterloo.

South Dakota: Sioux Falls.

Accountants to Ask 23 Changes in 1936 Federal Revenue Act

The communications represent the result of a survey conducted by the committee for the purpose of assembling data which may be placed before Congress as representing the recommendations of the accounting profes-

sion. In order to get the benefit of the judgment of the state society leaders without asking any leading or suggestive questions, the committee simply asked them to report any changes in the act which they believe to be necessary. Seventeen state societies responded to the request.

As analyzed by Mr. Stempf, the communications from the state societies show that the greatest demand for changes has to do with the first and second paragraphs of section 14a of the 1936 act, and with section 27a.

Beggar: "Will you let me have a dime, mister?"

Sailor: "I haven't any change on me, but I'll give it to you when I come back this way."

Beggar: "Well, all right, but you'd be surprised at the money I lose giving credit this way."

[illegible]

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